Daily Report

Latin America

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Cuba

Hinton Appointment Generates 'Justified Concern'

PA2401024790 Havana International Service in Spanish 0025 GMT 24 Jan 90

["Our America" commentary by Manolo Ortega]

[Text] The appointment of Dean Hinton as U.S. Ambassador to Panama has generated justified concern among Latin American circles that reject the foreign intervention in the isthmian country.

U.S. President George Bush has appointed Dean Hinton as ambassador to Panama to replace Arthur Davis.

At the time of his appointment to Panama, Hinton was U.S. ambassador to Costa Rica. Prior to this, from 1983 to 1987, he was President Reagan's ambassador to Pakistan; and from 1981 to 1983 he was the ambassador to El Salvador. From 1967 to 1969 he served in a diplomatic capacity in Guatemala.

According to the State Department, Hinton was picked for his new assignment because of his experience in Latin America and his knowledge of economics, a field that, according to the White House, will be a priority of the Endara administration.

There is no doubt that the person chosen as the new U.S. ambassador to Panama is the best choice, although his record indicates that his knowledge of economics has little to do with the appointment.

Sources close to the Salvadoran rebel forces say that Hinton was the Reagan administration's man in El Salvador. They say he supervised the virtual takeover of El Salvador by the United States, as well as the establishment of a puppet government and Armed Forces, and the systematic organization of the death squad's activities and massive counterinsurgency operations.

Hinton was appointed to Pakistan just in time to direct the invasion of Afghanistan by counterrevolutionary troops supported by the United States, an operation that resulted in death for hundreds of thousands of people and the country's destruction.

Dean Hinton went to Costa Rica to appease the people following the astonishing Iran-contra disclosures, and to assure the sustained implementation of the White Houses' Central American policy while the country was being rocked by scandals that linked the CIA with torture and drug cases.

Shortly after the arrival of Dean Hinton in San Jose, the Costa Rican Government began to display an image of neutrality, and afterwards began to turn toward the right, to Washington.

Hinton's presence in Guatemala during one of the most intense periods of military repression in that Central American country is well known. His presence there is another demonstration of the ambassador's open meddling in the domestic affairs of all the countries where he has had diplomatic missions.

Bush's selection of Hinton is evidence, on the one hand, that the United States faces grave problems in Panama, and on the other, that Washington has many plans involving Panama and general U.S. operations in Central America.

The first task of the new U.S. ambassador will be to create a democratic, in between quotation marks, image for the puppet regime. A task similar to the one he carried out in El Salvador, where the repression on popular organizations increased noticeably during his presence at the U.S. diplomatic mission in El Salvador.

Hinton will also have to supervise follow-up police operations against Panamanians who are against the foreign occupation in their country.

The Bush administration could have another important job for Hinton: The vast military experience he acquired in the Afghanistan war will be very important if the United States decides to use Panama to increase its military meddling in Central America and the Andean region.

Commentary Discusses Quayle's Upcoming Tour

PA2401042990 Havana International Service in Spanish 0000 GMT 21 Jan 90

["Our America" commentary by Manolo Ortega]

[Text] The formerly ambitious tour of Latin American countries that U.S. Vice President Dan Quayle had planned is now reduced to Honduras, Panama, and Jamaica. One does not have to be too smart to figure out that Quayle's visit to Panama will not test his scarce political abilities because it will be very easy for him to reach understandings with the puppet government of Guillermo Endara and thus ratify, through mutual agreement, the policy of force that the United States has imposed on the isthmian nation.

Something similar can happen in Honduras. Although Quayle will be attending new Honduran President Rafael Callejas' inaugural on 27 January, the change in leaders there does not imply that there will be any variations in the bilateral relations and, in any case, Quayle will try to keep them as they are.

One must not forget that Honduras is the strong cornerstone of the United States in Central America. This country, which borders with Nicaragua, El Salvador, and Guatemela, has been used by the Pentagon to conduct several aggressive maneuvers, including several mock invasions of Nicaragua. The United States also keeps a permanent contra base in Honduras. These counterrevolutionaries serve as spearheads in the U.S. plans to overthrow the Sandinist government.

The U.S. project to send 24,000 troops to Honduras shows that the Bush administration will continue to carry out exercises in that Central American nation where, an unspecified number of bases have been rapidly built since 1983 to support any demonstration of U.S. military strength on the isthmus. It must be noted that, in 1983, the top Pentagon command increased the number of war exercises in Honduras, where thousands of U.S. Armed Forces members have been trained.

In addition, the Honduran Government has always backed U.S. interventionist plans and Panama is a fresh example of that. Honduras not only backed the armed invasion of Panama but was one of the first states to recognize the authorities imposed by the White House and the interventionist troops.

Since we are talking about Panama, it is good to mention that when he was planning his Latin American tour, Quayle denied that the objective of his mission was to try to heal wounds. It is a consultation mission, he said. We have many firm friends in this hemisphere who support us and we are going to visit them. It will be a mission of democracy and, above all, we will listen to what our friends have to say, he added.

However, it was very well known that the objective of this visit was to justify the military invasion of Panama. But it seems that the view of the vice president and his advisers was too optimistic and completely subjective, because the extensive visit had be to ruled out.

Regarding this, White House spokesman Marlin Fitzwater said that several Latin American governments expressed disagreement with the Quayle visit. Although he did not mention which countries expressed such position, the truth is that the tour is not limited to the nations we mentioned in this commentary.

Venezuelan Foreign Minister Reinaldo Figueredo opined that Quayle's visit is not the best recourse to improve U.S. relations with Latin America in view of the region's reaction to the invasion of Panama. I think these words are the best explanation for the rejection to the so-called tour for democracy.

Havana Calls U.S. Antidrug Policy 'Cynical'

FL2301210090 Havana Radio Rebelde Network in Spanish 1800 GMT 23 Jan 90

[Station commentary]

[Text] In our 17 January commentary we asserted that U.S. policy is fundamentally cynical, not only with respect to other countries, but also on the domestic level. We were alluding then to the civil rights of blacks and the contradiction that exists in this regard between reality and what official Washington says.

U.S. policy regarding drugtrafficking appears to be equally cynical. President Bush, who calls himself a champion in the fight against drugtrafficking, is being put in an extremely vulnerable position as some cans of worms begin to be opened. Yesterday the Madrid newspaper EL INDEPENDIENTE brought to light a sickening story that pointed to the CIA, when it was headed by Bush, handing over U.S. weapons to the Medellin Cartel in exchange for its cooperation in the fight against Nicaragua. The newspaper specified that the plot came to light after an investigation by Senator John Kerry, but that the Pentagon succeeded in silencing the congressman, alleging reasons of national security.

From previous reports, it was known that the major heroin-producing laboratories are run by the Afghan counterrevolutionaries, which have almost unlimited support from the U.S. Government. That is, the champion of the fight against drugtrafficking provides his multimillion dollar cooperation to one of the most important drug-manufacturing groups in the world; these narcotics in good measure end up in the hands of American consumers.

And as if this were not enough, today it was made known that the top figures in the government imposed by the United States in Panama have had close ties to drugtrafficking. For example, for the past 25 years President Endara has been the lawyer and partner of Carlos Eleta, a 70-year-old magnate and the representative in Panama of the transnationals Phillips Morris and General Mills. Eleta is currently in prison in the United States for selling 600 kg of cocaine.

The Brazilian newspaper O JORNAL DO BRASIL suggests that when the case becomes well known, Endara will have to leave office at the request of his vice-presidents, Guillermo Ford and Ricardo Arias Calderon. But even they are dirty down to the bone. Arias is the brother of banker Jaime Arias Calderon, connected with Ricardo Rodriguez Orijuela's First Interamerica Bank. The latter has been in prison since March 1985 for transferring $85 million from cocaine sales to the Banco Cafetero in Panama. The other Panamanian vice-president, Guillermo Ford, is the brother of Jim Ford, known as the most active launderer of drugtrafficking money.

It would be a good idea for the U.S. Congress to demand a plausible explanation for this nasty story from President Bush, if he can give one.

Transport Minister Notes Possible Oil Shortages

FL2401023290 Havana Radio Rebelde Network in Spanish 0039 GMT 24 Jan 90

[From the "Exclusivo" program; hosted by Daniel Torres]

[Text] [Torres] There is a possibility that taxi service will be affected by unexpected oil shortages. This was discussed today by Transportation Minister Senen Casas Regueiro. He mentioned this today when he spoke with delegates and trade union and administrative leaders attending the 16th congress of the Cuban Workers Federation [CTC].

Our reporter, Leides Montoya, represented the "Exclusivo" newscast there, and she recorded part of the remarks made by Comrade Senen Casas.

[Montoya] Hi Daniel; good evening, Cuba.

[Torres] Good evening.

[Montoya] During the conversation held with delegates from the transportation sector and administrative and trade union leaders attending the 16th CTC Congress, Division General Senen Casas Regueiro, transportation minister, gave an extensive briefing on the transportation situation in the country. He also referred to the efforts the revolution has made during the past few years to improve the services that currently exist in the country, primarily in the capital. The transportation minister mentioned that there are many projects the revolution is undertaking in this area throughout the country and he called on trade union and administrative leaders and on the workers in general to work toward greater efficiency in the service area.

Senen Casas Regueiro also mentioned the citrus that has not been picked up by the Soviet Union. In this regard, he said:

[Begin Casas Regueiro recording] The Soviets were not able to send a ship to pick up the citrus. Citrus is something that is so important to the Soviets now. The Soviets have not come to pick up their citrus. Perhaps they will also not send us the oil shipments. The citrus is for their people. The citrus is a way for us to pay for the debt we have with them.

What kind of guarantee could we expect on oil shipments? If we do not get oil, what will we have to discontinue? I'm talking about taxi service. We will have to discontinue some taxi service. We hope to make taxi service available for trips to the hospital. I don't know.

The trade union leaders and workers have to read all the information that is available on this matter. We have to be prepared for this. We have to be prepared for this. [repeats himself] [end recording]

Raul Castro Meets With FAR Civilian Workers

FL2401025490 Havana Television Service in Spanish 0100 GMT 24 Jan 90

[Text] Army General Raul Castro, second secretary of the Central Committee of the Communist Party of Cuba [PCC] and minister of the Revolutionary Armed Forces [FAR] today held a fraternal meeting with the delegates and guests of the National Trade Union of FAR Civilian Workers who will attend the 16th congress of the CTC [Cuban Workers Federation].

A member of the integral brigade most outstanding in military construction presented Raul with two drills used in the construction of fortified installations, one for Commander in Chief Fidel Castro and the other one for the FAR minister.

The second secretary of the PCC then autographed the banner the brigade was awarded.

Pedro Ross, secretary of the PCC Central Committee and chairman of the commission organizing the 16th CTC Congress presented the FAR Ministry with the 50th CTC Anniversary plaque.

After several delegates spoke, Division General Ulises Rosales del Toro, first vice minister of the FAR, gave the closing remarks at the meeting.

In conclusion, the FAR minister greeted all those present.

[Begin Raul Castro recording] During the past 2 and ½ years, our FAR Civilian Workers Trade Union has shown progress with what has been attained and with the possibilities for what can be done. I do not think I am exaggerating when, on behalf of all the leaders of our FAR and on my own behalf, I tell you that we are proud of you. Thank you. [applause] [end recording]

Upcoming Workers Federation Congress Discussed

FL2401015890 Havana Television Service in Spanish 0100 GMT 24 Jan 90

[Text] Just hours prior to the start of the 16th congress of the CTC [Cuban Workers Federation], Comrade Pedro Ross Leal, chairman of the commission organizing the event, granted an interview for this newscast.

[Begin Ross Leal recording] Some of the things the Cuban people will observe at the 16th congress include the workers' willingness to continue fighting for our country's economic and social development; their willingness to increase efficiency in the economy; labor discipline; as well as the opening up and consolidation of job possibilities created by the revolution for graduating youths, technicians, and women; and improved social conditions for our workers to create the wealth and conditions that will allow our country to progress on the road of socialism, which is the fundamental goal of our working class. [end recording]

Panamanian Minister Views Diplomatic Missions

FL2301194590 Havana Tele Rebelde Network in Spanish 1800 GMT 23 Jan 90

[Report by Nelson Notario Castro from Panama City]

[Text] Julio Linares, the Civilist government's foreign minister, stated to the local newspaper LA PRENSA that his country will not tolerate the continuation, in Panama, of the diplomatic missions of governments that do not recognize Guillermo Endara as the legitimate president of the Republic. In a front-page note published on Tuesday, 33 days after the start of the North American invasion of Panama, Linares asserted that in the event diplomatic relations with Peru, Cuba, or Nicaragua were severed, his country would respect the presence of the number of diplomats essential to attend to

the needs of the Panamanians to whom they have provided asylum, until such time as the Panamanians' status is resolved.

EL PANAMA AMERICA today published a front-page article reporting that Tocumen International Airport will resume its normal operations on Thursday, 25 January. The airport will be reopened for daytime traffic only and with a totally new staff provided by the new Panamanian Public Force.

Party Council Created for Nickel Enterprises

FL2301171590 Havana Radio Reloj Network in Spanish 1529 GMT 23 Jan 90

[Text] In Moa, Holguin, Pedro Miret, member of the Politburo of the Central Committee, and Jaime Crombet, secretary of the Central Committee, presided over the creation of the council of party secretaries of the Union of Nickel Enterprises, the sixth of its type in the Ministry of Basic Industry. The organization, headed by Engineer Eberto Perez Torres, will be empowered to issue opinions, evaluate situations, and facilitate cooperation between enterprises to solve problems in the productive process.

In closing the meeting, Jaime Crombet emphasized that 12 percent of the 18,000 workers of the Union of Nickel Enterprises are party members, and called for clear analysis of every problem to facilitate specific and rapid action by the base-level organizations. This year in northwestern Holguin, the enterprises should increase their nickel and cobalt production for export by 12 percent.

Castro's Science Day Ceremony Speech

PA2201220890 Havana Cubavision Television in Spanish 0128 GMT 22 Jan 90

[Speech by President Fidel Castro Ruz at keynote Science Day ceremony held at Havana's Palace of Conventions on 15 January—recorded]

[Text] [Castor] Comrades: I am only going to speak for a few minutes because I was not really supposed to speak here at this ceremony. I discussed this well with Rosa Elena [Simeon, president of the Cuban Academy of Sciences]. When I arrived here I asked her: Do you have your speech ready? Then, she asked me: Why don't you say a few words? I said to her: Look, I really do not want to make an impromptu speech about sciences in the presence of such a distinguished group here today. I came under protest so you would not think I am on strike. [laughter]

Well, if I am to say something, I should start by saying that when this date—the 15th—was proposed, we considered it, and we asked our comrades of the Academy of Sciences if they could find another date that would be most fitting to sciences. Yet, as they began to look for dates, they found that nearly all of the dates were already devoted to something else. They began by thinking about Finlay, I believe that date was designated for something, for doctors, right? Thus, they found that all dates were taken. Finally, I told them: Go ahead and decide what should be done.

Thus, they chose this date. A date is just a pretext to celebrate the day of the doctor, the engineer, the teacher, or the scientist. It is often possible to find a historical occasion that would give a solid foundation to celebrate a given date. I believe they were already becoming anxious to celebrate the day of the scientist early in January...[corrects himself] or by mid-January. They did not have time to look for a better date to designate the day of the scientist.

They based their decision on those words that were said 30 years ago. I believe another factor was the fact that those words were said 30 years ago. I believe those were simple words anyone could have uttered; that anyone could have envisaged. We primarily wanted to change the country, and this idea was very clear; some ideas were very clear to us. The idea of associating study with work, as an ideal method of education, was very clear. The idea was very clear also that science is the basis of progress in human society; it is the basis of development. Neither I nor anyone else could have imagined that after 30 years these words would come to light, that I myself would have to give an account of them. Well, this is what I am trying to explain. Because now the situation is very clear, and it is clearer and clearer that the country's future is a future of men of science.

We could even add that the country's future is dependent on sciences; that the country's development is dependent on sciences; that the country's economy is dependent on sciences; that the people's health is dependent on sciences; that the people's well-being is dependent on sciences. This is today clearer than ever. I cannot draw the conclusion that I was a clairvoyant but that it was by coincidence that those words I said almost 30 years ago, almost prompted by inspiration and intuition, are today a true reality.

I believe Comrade Rosa Elena made a brilliant speech, an excellent outline of the history of sciences in our country, of what there was before the revolution and what we have after the revolution. I recall that she mentioned 153 research centers; and she spoke of more than 30,000 scientific workers. She spoke about the technical youth brigades. I was very happy she mentioned them because on another level, in other spheres, they also innovate, research, invent, and discover. She spoke about the rationalizers and the innovators who have also made very important contributions in research, and above all, they discover techniques that are very useful to the country's life. If one adds....[changes thought] She spoke about 20,000 university professors; she spoke about 300,000 students in the different systems of higher education. One could add the hundreds of thousands of professionals in the country, which make a

colossal sum of intelligence in use, a colossal sum of talent. And these are the results, really, of the revolution's work in this field.

She described quite well—I was impressed by this—what the situation was like in the beginning, with inadequate schools, with a shortage of teachers, with a large number of illiterates and semi-illiterates. Today, the concept of illiterate in any developed country is not applied exclusively to those who do not know how to read or write. Many people who can relatively read or write are, however, regarded as functional illiterates. I believe this is what they call them. The world is full of them. The important thing is not to find out how many illiterates there were, but what the educational level in our country was; how many semi-illiterates there were; how many youths have not had secondary schooling; how many of them did not go beyond second grade, third grade or fourth grade; how many of them reached the average level; how many of them could take on vocational technical training; how many of them could get to the university.

Once we went as far as proposing that anyone willing to take higher studies should be guaranteed the right to do so, although not as a profession because this would be absolutely impossible. It is possible to guarantee this as a possibility available to a human being to improve his knowledge, to take on a career. Thus, many of the career courses have been made available. Of course many of our....[rephrases] we speak about hundreds of thousands of university students and this is true, but many of our university students are, for instance, teachers who are already working. Life has forced us to impose certain limits to certain faculties. These guidelines are, however, of a very relative nature.

I spoke about this recently at CUJAE [Jose Antonio Echeverria University City], where we presented banners to a brigade of construction workers. How many engineers do we need? This will depend on the criteria followed. I was saying that an automatic machine that is producing the equivalent of 50 or 60 men merits to be attended by an engineer. Engineers could be manning much of our equipment. If our combines were operated by engineers, I am sure our combines would perform much better. Thus, all this is very relative.

Similar situations arose concerning doctors and engineers. First, engineers were required to work in superstructures, up there in offices. This applied to agronomic engineers, mechanical engineers, industrial engineers, civil construction engineers, and architects. Then, as you know, an enourmous quantity of specialties was developed. I believe this was some sort of deviation, a certain distortion, when we fell into a very narrow profile, which was becoming increasingly narrow but which is now being rectified. Yet, the first engineers were sent up there to offices.

Today we have engineers leading brigades. Today we have many engineers working with machines. If we expand the concept of where an engineer can be, a productive activity, the number of engineers can be increased.

I also remember when it was said that there would be too many doctors. Where were there going to be too many doctors? It turns out that our medicine was still underdeveloped, not underdeveloped concerning knowledge, but concerning organization. There had been a lot....[changes thought] A whole system and the system had given many results—we cannot say it did not—but it was not the best system. A good example of this was that, for example, no one wanted to go to the polyclinics. Or at least a high percentage of the population had no confidence in the polyclinics, but they did go to the hospitals. There they overloaded the staff on duty; they did not let the doctors work. Then, well, in any case I do not know if it was 60 or 70 percent, or 30 percent, [as heard] that went.

I know, of course, of some cases of polyclinics where many family doctors were located, and where 500 people a day went. Now about 100 go—one-fifth as many—because the main problem was finding out whether they would have confidence in the family doctors; they did have confidence in the family doctors. In fact, then, no one went to the polyclinic or the hospital without seeing a family doctor first. And in general, it was the doctors who took patients to the hospital or sent them to the hospital directly.

Well, this was a great help for the hospitals in the country, for the staff on duty. It solved a problem that did not have, that no one could see a solution for anywhere. Today patients, citizens, have more confidence in the family doctors. We said, will they go to the family doctors—we wondered—or will they go to the specialists at the polyclinics, or the specialists at the hospitals, right? Experience showed they were going to see their doctors first, who were recent graduates. They were not yet specialists, as they have now begun to be. They went to see them first; even when the others gave them prescriptions, advised them, diagnosed them, established a treatment plan, they went to see the family doctor to ask him his opinion about the treatment the specialist had given them. That was what was happening.

Well, I was saying this, which also is a matter of concept. As we were saying, the concept here is 25,000 or 30,000 doctors. They probably had resolved maybe even that system, which was not the best. However, the inclusion of the concept of the family doctor, not only in the community—because that is where the name comes from—but in the factories, the schools, the day-care centers, we are gathering information. I asked them in some meetings of leaders of industry, where there were workers, the party, unions, management, and they really admired the work of the family doctors in the, for example, in the factories.

It is incredible! They are really becoming the guardians of the workers' health, of hygienic measures for the

workers, of protection for the workers, and they are discovering things we did not know about—for example, some indexes concerning the number of hypertensives. There is a relatively high number of hypertensives; this [was found out] from a conversation with the workers themselves and through the efforts of the family doctors. Because they keep a record of each worker, they began to discover then....[changes thought] They decided to ask the Ministry of Health to plan some research, because of the relatively high number of hypertensives at young ages. Well, we had to see about those problems. Or, something else that has been discovered, for example: In some municipalities there is a higher rate of birth defects. This gave rise to an investigation to find out what the factors are that determine these higher rates. Or another example: There are regions of the country where the number of retarded children is much higher than in other regions—that is, in some provinces it is much higher than in others. This gave rise to an investigation to find out what the factors are that are determining this fact, that those provinces have a rate that is almost double that in others. Life constantly demands of us that we inquire into, explore, investigate the causes of phenomena. Many of these that I have mentioned have been discovered precisely by the family doctors.

But in turn the family doctors, that were created as an institution, have discovered a great number of truly fabulous possibilities, in all senses. Even in the social sense, they even help in the programs so children will attend school, in the struggle against obesity, against sedentary ways, even the struggle against some forms of crime. I know there are children, in the street, who do not study or work, and then they are a breeding ground for crime. Even in social problems, the family doctors have participated. I do not have any doubt at all. I know that some have debated in some places the issues concerning the family doctors and other things about the revolution. But I, one of the things that I have the least doubt about, or could never doubt, is the benefits society obtains with the family doctors, and I have always supported this with an example.

Instead of having the offices packed with personnel, instead of creating an enormous bureaucracy of people who do not produce goods or services, it is better to have these people become doctors or nurses, or that they should be in any other profession. I mean any other profession, including teaching, and thus allow us to do what we are doing, because tens of thousands of teachers are studying, because there are tens of thousands of graduated teachers who are occupying their positions.

And it can also be the same in the future—I have said it for doctors, engineers—with many careers; the famous sabbatical year. It is better to invest that strength and those human resources in improving society and in improving our professionals than to have inflated staffs, in productive centers as well as in administrative centers. Because I want to tell you that the staffs have been, and still are, inflated in many productive centers, and in many administrative centers. They still are in many enterprises. The battle to deflate the staffs has not been won, but also cannot be won nor should be won from one year to the next, because we would create another type of problem—people who feel they are useless or who feel offended.

That is the reason behind what we have done in the hospitals. If there are too many people, we will not kick anyone out. If someone leaves, no one will be hired to fill the vacancy. If, for example, a new hospital is constructed, some of the people leave from here, and so we will gradually rationalize this.

Of course, in some areas it is more urgent. Recently we had a discussion about agriculture, and I brought up the inflated staffs we have in the superstructure of agriculture when they should be out in the field, in a more productive activity, in a productive activity but not in a superstructure. Naturally, I say it is better to have people doing that rather than have people in a superstructure.

Well, let's rationalize in the field of science itself. I can give an example—the National Center for Scientific Research, CENIC. CENIC had 1,400 positions, 1,200 filled, and they began their effort to rationalize, and now the latest figure I heard was 599, and they had a higher scientific production. They are producing more than ever, with less than half the personnel they had on the staff. They were doing much better work.

Well, I have always had the view that there should not be too many people in unproductive activities and we should train them for productive activities, for services, medicine. Medical care is a very important service, and there is no doubt that we will reach the....[changes thought] They can no longer take first place away from us. We are moving in that direction, and the indexes show it.

Rosa Elena mentioned, for instance, that life expectancy stands at 76 for women—lucky women—and 73 for men. I wondered how life expectancy is calculated. Because we have already introduced a great number of things into the field of medicine that they do not have in other countries. We have not only lowered the infant mortality rate to 11.1; we have to continue to lower it and we must bring it under 10. It has already been shown that the rate can be brought under 10. There are some provinces that are already under 10. Well, that is the infant mortality rate.

Now, what effects will the family doctors have when the number of doctors totals 20,000? We already have more than 8,000, we have approximately 8,000, we already have more than 8,000. We already have....[changes thought] There are places like Havana City where 75 percent of the population is treated by family doctors. What impact will this have on life expectancy? Is this being taken into account or not? What will be the effects of the ultramicroanalytic system [SUMA] and of the early diagnosis of birth defects? What incidence will the allergy tests have, tests that show that 12 percent of our people suffer allergies, that newborns who, to a larger or

lesser degree, suffer from allergies that could be avoided if diagnosed and treated on time. This program, which is already widespread in Cuba, does not exist in other countries.

We have now introduced the antimeningococcical vaccine. A number of vaccines are already being used. Yet, the problem does not rest with....[changes thought] One extremely important aspect dealing with life expectancy is not the number of those dying during their first year but those dying in the second, third, fourth, fifth, or sixth year; and not only that, but those who survive but have birth defects because the problem of malnutrition was widespread in our country but not any more. Yet, it is still widespread in other countries. What is the average health rate in those countries, and what is the rate in our country where our people appear to be healthy, vigorous. The number of undernourished people are an exception to the rule in our country, and the causes for this can be blamed on factors that are foreign to family economic resources. If there is no undernourishment, then what effects will the fact that all our children drink milk have on the life expectancy of our people. I am not speaking just about the family doctor or these programs I have mentioned earlier.

What effects will the grandparents activities centers have on life expectancy? Family doctors have said that grandparents in general are taking less medicine. They are consuming less medicine, they are making fewer visits to hospitals. They have been exercising. If we undertook massive programs, if we won the battle—I am looking at Professor Marinello [Zoilo, president of the Scientific and Technical Advisory Council]—the battle against the smoking habit, if we prevent alcoholism from becoming a problem in our country some day, if we train our people to have healthy eating habits, if in the factories, the factory doctor—whom we could also call the family doctor, because we refer to all of them by the same title, whether they work in factories or schools—is protecting workers against accidents.

When a country succeeds in having all the institutions we have now, all these programs, are these taken into account in determining the famous life expectancy estimate? I have addressed this question to our comrades at the Public Health Ministry. We should talk to international organizations because we have been doing new things, new things—better, better hospitals, better techniques, we are doing everything. And we are still there rather....[changes thought] None of our achievements are taken into account. We have many new things that are nonexistent in other countries. This is why I have asked that we investigate the yardstick by which they measure the famous life expectancy rate and what should be done to have the new things we are doing taken into account in determining the life expectancy rate. Well, there you have another subject for your researchers, Rosa Elena.

Well, we were talking precisely about the difference, when I started to make this long review of medicine in other fields. We were talking about what these 30 years meant in terms of training scientific, technical, and professional personnel. I had to explain, however, that we had to establish restrictions regarding some careers, but these restrictions were in fact of a relative nature.

When we study each case separately, and to the extent that we advance technologically, and to the extent that we apply sciences more intensively, and to the extent that we obtain higher productivity, we assume we will have adequate human resources to meet the needs of production as well as the needs for services. All this will determine the number of students in each career, which is of course a subject that concerns us all. We regret to have to impose limitations in some university careers. At present we are already limiting the number in the area of medicine. Some 6,000 students were joining the medical schools a few years ago. Now, there will be around 4,000 students in medical schools.

We say that we are going to replace massive admissions with quantitative admissions [cambiaremos un poco de masa por cantidad], we will replace mass with quantity. Our medical students are generally good students and are adequately selected. But, already now, despite our program for training more than 60,000 doctors by the year 2000, we have to limit the admission of students in medical schools. We are of course not losing students' positions because the number of nursing students is increasing. I have seen faculties—we recently dedicated one—in which medical and nursing students were studying their university careers together. This signifies a tremendous quality leap in training auxiliary personnel. Well, the nurses will now undergo training that will be almost comparable to that of doctors, of course in other subjects. One of those nurses who is already studying in those faculties....[changes thought] The facilities we have created will not be wasted. In the future, they can be used for something else, including post-graduate courses.

In reality, you can see the example of what happened in the area of medicine. Despite the family doctor program and the doctors working in schools, we have to start reducing the number. We have calculated the number of those who will be graduating between now and the year 2000. This is, of course, painful. Sometimes, we feel we may be leaving some talented students outside the medical school because a slot has been taken by a doctor who is not as talented as the student. There is also another problem that should be considered here: It is very difficult to find a retired doctor. I do not know if you have ever seen one. Doctors never retire. When we start to calculate the span of time a doctor will be working, well, it is very difficult to calculate this, how many years should we say—25 years, 30, or 40 years? The older the doctors, the more they think they know. This is true. In general, they know more because of the experience they have acquired over the years. Who is going to retire a doctor? I believe this is also true about other scientists, right; or to the other professionals in general?

For example, I see that a teacher retires once in a while. Once in a while a professor retires, but rarely have I seen

a doctor retire. This means that after 30 years, the country has made considerable progress. We must see this in its overall context, we must see it the way Rosa Elena has explained it to get a clear idea of the progress that has been made in the field of science.

She also said that despite all the good things that have been done, and despite the deficiencies, errors, and all that, it would be honest to say that we could have done more. It is honest. It is honest to say we have wasted time. It is honest to say that at a certain moment, there was not a good selection of people to work in the field of research. There were even times in which, because of residual effects, some of the people who were not...[rephrases] who did not have full ability to do the work were enrolled in the research centers. This forced us to take some measures, establish some guidelines, and become much more demanding in this matter. It forced us to establish the belief that the best people, the most capable, should be used for scientific research. It forces us to see that we should use the capable people instead of using those who could not find a job they preferred elsewhere, and that for the sake of finding them a job, we placed them in a scientific research center. This actually happened, this happened to us.

This forced us to become more demanding even with the moral integrity of a scientist. A scientist is not an ordinary professional. The scientist has a lot in his hands and his loyalty to the fatherland, the revolution, has great and extraordinary value. I think Miche spoke about this. His name is Miche, not Michel. I know him well, but everytime I have to say his name I have my doubts as to whether it is Miche or Michel. [addressing someone in crowd] What is his name? Is it Miche or Michel? Fine; he discussed in a masterful way what he believes a scientist is, and what kind of integrity, moral quality, he should have as well as the revolutionary quality of a scientist. Frankly, we have nothing to do with training scientists who do not have a revolutionary spirit, a high humanitarian sense, and a high sense of loyalty toward their country and people. We are not going to create a distinguished person so he can later move to another country looking for a better salary, or living conditions, or to receive an incomparably higher salary than what we can offer in our society. I know many comrades who have done things that cannot be paid for, even with millions. We also have many doctors who would be millionaires, but who stayed here. We know how much any of our scientific talents would have to be paid.

There is a market and that is what imperialism and developed capitalism have done. They have plundered the Third World of its talents, its intelligent and most capable people. They have taken them—I will not say by the hundreds of thousands—by the millions. They have taken highly qualified personnel, especially scientific personnel, to enjoy the monopoly they enjoy today in many areas of science and technology. And in our country, I have spoken with many Latin Americans on visits here who are eminent personalities in other countries. In other countries, they did not have the slightest possibility to do even research. There was no concern, nor were the conditions available; these people would have to leave to be able to do research. In many cases, even if they had the possibility to do it, they were taken away because of the generally better living and working conditions. Imperialism has plundered the brains of the world—a country like ours that has had to make so many efforts to come out of the darkness in which it was, to come out of the conditions that Rosa Elena spoke about and which I repeated.

We cannot create scientists so they sell themselves to the highest bidder. These scientists must have a lot of integrity, patriotism, and great loyalty to their people and revolution. This is something that must also be taken into account in the selection of scientific personnel.

The country has done as much as possible to create conditions for scientific research. However, it would not be totally honest to say that the country has done as much as possible. I think the country could do more. I am convinced that it could do more. All of us could do more in this case, in spite of the fact that the record of successes obtained has been long. But I think the most important thing is that we have created the current conditions.

I assure you that we could not have discovered the meningitis vaccine before, and that none of the things we are doing now could have been discovered before. I think we have created a great capacity and that the time lost does not mean much if we are able to make good use of this great capacity that has been created, that we already have available, and that is greater than what Rosa Elena said here—that of research—and greater than I can say, because we ourselves discover new things and new possibilities every day, and new groups interested in research. They work; by asking desperately for some resources, they have found them. Now I wish we knew where they all are. Some of them are university professors, and even groups of recent university graduates. Some are in university departments. And some of them have developed important things, and they are doing so.

Of course, there is always the government, the party. They discover a group that is doing interesting and valuable things with good prospects. We feel the desire to help them, and we do everything possible to help them. The thing is that we do not yet know all the potential, and I think one of the tasks of the Academy of Sciences is to discover all this potential, wherever it is. It may be in Ciego de Avila, in a group of researchers, professors, or experts there. It may be in Pinar del Rio; it may be in any university department. Of course, if it is in medicine it should be the Ministry of Health that discovers it. But there are all the other university departments—chemistry, biology, engineering—and there are a lot of people working that we do not know about. We have simply created the conditions for research in these centers of education, and there are a lot of people who have

a calling for research. We have to discover all these groups to see how we can help them.

Because to help a group, we have to know that this group exists. I think the university knows it, but the university does not have enough resources. I think the Ministry of Higher Education should also work on this. Some of the concepts that have been developed recently, such as the concept of research and production, well, one has to know when to apply these concepts. A good example is the immunoassay center, which was conceived as a research and production center. Now, production is increasing at the immunoassay center.

They are applying these concepts at the National Center for Scientific Research [CENIC]. We are applying these concepts to genetic engineering. It is enough to say that at the genetic engineering pilot plant they are now producing considerable amounts—not as large as what Rosa Elena said, not yet that large, but they are moving in the direction of large-scale production. But now the same growth factor has a high level of production that almost meets all the country's needs, and soon they will have the capacity to export. And if we want to, we already know what is lacking to flood the world with skin growth factor.

We will see what the large multinationals do; they are already beginning to run up against some of our capabilities. It is precisely because of this that we have been creating this scientific potential with these characteristics. And I no longer have the least doubt that some of these multinationals are behind us in many fields, in many fields, I am not going to say in all of them, but we already....[changes thought] Now, for example, in the pharmaceuticals industry and biotechnology, biotechnological products for human use—and sometimes it is also extended to animal use—they are....[changes thought] They receive absolute priority attention, because we have recently discovered our great capabilities. More than discovered them; as extraordinary achievements have appeared, we have seen that the country has an enormous interest in these extraordinary achievements that have been appearing, an interest not only with respect to the country's health, but also with respect to its economy.

Because really the pharmaceutical industry, for instance, producing medicines, one of the most powerful industries in the world, is in the hands of multinationals. The medicines are sold at extremely high prices. The prices of many medicines are usually monopoly prices. Now we are discovering that in some of our fields there is no one who can compete with us. Rosa Elena talked about sugarcane derivatives and mentioned waxes and oils, and the things that can be gotten out of wax and oil are truly fantastic. I do not want to go into too much detail to explain, but it is enough to say that the famous steroids—AB, ABD, I think they are called, you must know better than I—that are the basis of the production of 100 important medicines, are also a derivative of sugarcane.

Another product I do not want to mention here because I can see some of the creators are half-afraid that I am going to say everything here that I know about this. There are other products under development that have not been mentioned, which have great prospects. And they come from sugarcane. They come from wax, from wax, and I do not know, but we can produce wax in amounts that no other country can produce. Because we already know how much was produced, can be produced with a sugar harvest of 8 million, with a sugar harvest of 10 million. And those are tens of thousands of tons. It would be unlikely that anyone could compete with us in these fields.

I have asked the comrades who work on the meningitis vaccine, who said that our potential competitors have still not begun to produce this meningitis vaccine. They will produce it, within a not very long time, but not as quickly. The lines they chose for the research are wrong. We got it right, our people got it right, but not only did they get it right, they took a risk. This is why the research went forward so quickly; they were ahead of the others because they worked with live bacteria. They took the risk, since there was no vaccine yet. I do not know if I am committing an indiscretion in saying this, but I do not think so. Then they innoculated themselves, since they then had the vaccine. And we have a monopoly on that vaccine. Now they are already working on another, so... [changes thought] They seem to be making good progress. They are improving the one they have.

So, well, the multinationals are going to have serious competitors. We will put our products on the market, and we have already put them on it. Does this means that we have a strictly mercantilist attitude? No. I have already talked with the comrades, and alongside our exports to those that can, that have the economic ability to pay for this vaccine, we have offered some programs to the UN in countries that do not have the least possibility of finding the funds for it. Because we already know where this illness occurs, and it is in a few developed countries. The U.S. has it—not the vaccine but the bacteria, the meningococci—and a few European countries have it. And Asian countries have it. Some socialist countries have it, this illness. And we know that in Africa there is a group of countries. In addition our vaccine combines against B and C and A; that is, it can be done against A and B in different combinations. They have now perfectly mastered the formula. There are countries in Africa where they have never been vaccinated.

If our production is very large, then we can not only benefit from trading in the medicine, an action that would be absolutely legitimate, but we can even help, in some cases, those having absolutely no chance of purchasing it, in those areas that do not constitute a market. There are many areas in the world that do not constitute a market. Everything depends on the cost factor—if we can reduce it with the innovations we are implementing.

Thus, a field has been opened—I am referring to just one research field, the biomedical field, if you will. I am saying that there are a few more. I really do not want to elaborate on this because sometimes if you go too far in your explanations you could always lead the enemy to put obstacles in our way.

I can mention a bad example dealing with blood, with a healthy blood, the rates....[changes thought] While it is growing in the world, it is declining in Cuba. I am talking about AIDS. This is happening because of the measures we have taken. Experience has shown we were right. The figures concerning growing AIDS cases are staggering in some countries. Some Latin American, Caribbean countries have an extremely large number of AIDS cases. It is estimated that there are 200,000 people contaminated with AIDS, thousands of them already infected with the disease. Other countries have millions of cases. The United States, the olympic champion in AIDS cases, has millions of people contaminated with the disease and an extremely large number was....[changes thought] In this field, as I was saying earlier, it has been demonstrated that.... [changes thought] Well, I was just talking about that same thing, but referring specifically to blood, to blood byproducts. I was saying that our blood is healthy. The cost of plasma skyrocketed recently and monopolistic organizations were selling it at $80 or $90. We sold it at a lower price to a Latin American country. Our price was higher than the usual price, but lower than the current price. These people tripled the price of plasma. Our price doubled the traditional price. Thus, the monopolies had to immediately reduce their price and bring it closer to our price. Yet, who is going to have confidence in American blood? One ought to be crazy to do that because one of those viruses could be transmitted through it.

Many products can be obtained through the blood. With the antimeningococcic vaccine, we can produce a medicine against the meningococcic meningitis, that is, a serum that is obtained from immunized individuals. Thousands of people have been recruited to this effect. Members of the Interior Ministry and of the Armed Forces have had immunizations to give blood. Thus, we obtain a serum from their blood that can save the life of someone who would otherwise inevitably die of meningococcic meningitis. As you can see, there are growing possibilities in this field. It would be difficult for any other country to do this. Many possibilities are surfacing in this field, even some of economic significance, which is extremely important.

If I have left something unsaid about sciences, I could add that science is what can save our country from having major difficulties. Yes, I have already said—I am not going to repeat it today—that very serious difficulties could arise. I have explained the reasons, I have explained them. Naturally, this forces us to work much harder because some circumstances and conditions for our development, which appeared to be certain—and which were certain for many years—can no longer be regarded today as certain circumstances and conditions. This forces us to use all our potential not only to do research but to think about solutions, to think about solutions.

Fortunately this time also coincides with the time in which all this has begun to bear fruit, as we were saying. A lot of research has begun to bear fruit. Now it is a matter of time and speed, a matter of time and speed, because one of the most important things in this field is the immediate application of results whenever technically possible. I can tell you that at this time there are a few things in which not even 24 hours are lost between the moment in which the possibility arises and the moment in which we begin to work for this possibility. Not even 24 hours are lost in beginning to make a pilot plant, and while the pilot plant is being done we are already working on the design of a definitive plant, based on certain elements.

And perhaps someday the story will be written of the speed with which we have worked in installing capabilities for this development that I am talking about. Perhaps someday the story will be written about the effort the same group of scientists is making on this concept that I was talking about, that I had mentioned previously but had not developed the idea, on the concept of—what is it called? —research and production. We are applying it, and it began as I said with the immunoassay center.

Of course, this does not have universal application. I met a group at a university laboratory who talked to me about research and production. I can tell you already the concept of research and production must be applied in centers that are really formed, that have all the potential to do this. In another group of scientists at a school of medicine it is more difficult to apply this concept of investigation. That is why we say, are you in such-and-such a sector? Contact such-and-such an organization immediately. The materials industry if it is some type of material, basic industry if it has to do with basic industry, the pharmaceutical industry or the Ministry of Health if it has to do with medicine, because we cannot universalize the concept of research and production. We can do so in centers that have a scope determined by their funds and their investments, their space, and the number of scientists.

But we have applied it with quite good results. We have a few research centers that are into research and production. I gave the example of the immunoassay center. The immunoassay center began with a research laboratory and its production laboratory, its sheep and all that, sheep for research and sheep for production, a plant to produce the equipment, some automatic lathes there with high productivity. They can now produce about 200 sets per year. They were able to produce 6 million in reagents. Well, possibilities began to arise. Immediately next to it another laboratory was put in a house that was adapted at great speed. The equipment was bought. It can already produce 2 million more. Right now, they are in the design stage and are working to produce 20 million

more, from 20 to 30 million more. Right, now they are working at full speed day and night. They have already studied the project and are discussing what needs to be done for a 200 million reagents plant. As possibilities increase, these activities will also become more dynamic. We must be especially prepared when we get commercial opportunities. Suffice it to say that in Chernobyl right now there are five SUMA units, I think. [asks someone in crowd] Is is it five or one? [response indistinct] They are in the vicinity of the area. They are in the laboratory with our reagents to observe the effects of congenital malformations from the accident. They are observing cases of thyroidism, or hypothyroidism that could arise, or congenital malformations, and other things. They have a program for that there.

The Soviets are very interested in our SUMA and they are asking that we also send it quickly to another city. We see prospects for the SUMA in the Soviet Union, to give you a good example. There are already some capitalist countries where the SUMA is being produced and making a profit. That is why we have to take these steps. [We have to produce] from 6 to 18. Our country needs 12 overall for its program. We need from 6 to 18, from 18 to 40 or 50, and from 40 to 50 to 200. We know how much all this costs to produce. We know what must be done if we need to produce it at full speed. We know the price of the panels if we need to import them, or other materials to produce it quickly like we did with the Varadero Airport, or the new Boyeros terminal. We have studied all the steps. We have also done the same thing with the meningococcic vaccine and other products that have great production possibilities at this time. We are expanding the research-production concept. The research center has the control.

After we have established the basis to produce 100 medicines, we can produce them in an industry—not the medicines, the raw materials, the AD, DD, and steroids. For the production of another type of large industry we have the pharmaceutical industry. The same thing will be done with epidermic growth factor; it will be produced by the genetic engineering center. The facilities are under the control of the center, not only the pilot plants but other facilities as well. But naturally, the center will not produce the ointment, it will produce the growth factor. Then, it will turn it over to the pharmaceutical industry and it will produce it. The process for the vaccine is much simpler. There is nothing to mix, it comes out of the center already in the form of an ampule or in bulk.

In other words, we are working with the concept of not wasting a single minute from the moment a new possibility is discovered, and we apply it right away. I think that is the criteria we must follow with all our research. Here we have the man who discovered sacharina and he knows what we are doing with that product, which is also a discovery. He turned the sugarcane into corn, soy, and wheat because he has turned the sugarcane into protein and carbohydrate. A lot of research and investment is being done in this product. We are also making a lot of investments in the raw material I spoke about. We are working hard on that.

We are working very hard in each one of these possibilities that have arisen without wasting one minute, because they could become a gold mine. Furthermore, under the current circumstance, it is more important than ever to apply the principle of not wasting one single minute. I think that if there is something extremely important that I will say in this speech, it is that not a single minute must be wasted in attaining a new development and applying it. This principle must be used with the technical brigades, innovators, but above all with the scientific centers.

This will have to be one of the primary duties not only of the Academy of Sciences but also of other organizations. I believe there is also something new now—this being the much greater awareness of the significance of sciences. There is a much greater awareness of this in all productive organizations. Awareness is greater than ever. I have never seen so much awareness. Despite everything, we must remind the ministers and each organization daily of how important it is to closely follow scientific research, to support it, and to apply it.

We of course must do this....[rephrases] if we manufacture a medicine, we should do it keeping in mind human interests, that is, even if we did not have a good market for it. In investing resources in one of these things, we must follow economic guidelines, how important they are for the country, what problems will they resolve in an economic, productive sense. I mentioned the case of sacharina. We could now disclose the secret regarding sacharina to the world without charging a cent for it. I do not know if these people are charging something for it. Yet, sacharina is important for our country for the production of food beginning with the sugarcane. It is food for our consumption. It will solve an important socioeconomic problem. We are not going to export either sacharina or its byproducts. Sacharina is designed to feed our people. This is why it is highly important, because it will solve an important problem.

There are other projects that can solve the country's important economic problems. Everyone—to a larger or lesser degree—must help. Now, we must not wait for the ministers to come see us; I mean, the scientists. We must go to the ministries. We must look for those who can produce something, we must apply the results of research with a practical view, and of course, with a rational sense. I cannot say if tomorrow they discover 1,000 things, we will be able to apply them all. We could then select which of those will have greater significance for the country in solving the country's major problems. This is something decisive and we must continue to promote this awareness within organizations and among scientists. Toady, this is more decisive than ever, now more than ever.

As far as resources are concerned, rest assured that.... [changes thought] I know some people complained that others were receiving more resources than they were. I did not hear this through third parties, but I heard it personally from a group from a university school, which made important achievements. They said such-and-such center has equipment and we do not have anything. It is just around the corner. That is an important center that is making very important things. The group said: Others are receiving the resources, we are not getting anything. It is true; they had almost nothing. Their claim was not untrue. They had participated in the Health For All Exposition and had exhibited a product that earned an award. In fact, they produced 10 or 12 more items, but no one knew about them. They were the only ones who knew about those things. Perhaps the minister knew about them. This is why we should improve the mechanism to the effect that any promising project that is undertaken—independently from research programs.... [changes thought] Many people get down to work, we must help any group with some promising prospects. We harbor the desire to help every group, every center. I have made this known to Rosa Elena.

Of course recently we have been doing some things that were expensive, and they were essential. You do not know the work we ourselves did, so some things would be built, with the problems there were in construction. Today these problems are being resolved. Things are built more quickly. For example, we have the center, CENPALAB. It is the Center for the Breeding of Laboratory Animals. Some are free of pathogens and others are normal. It is a large, important center.

In general, when scientists meet to ask for something, they ask for a lot. That is the truth. Nothing seems sufficient to them; we already have experience with this. In CENPALAB they asked for everything they wanted. Because only they knew about that, in the end it was their views that prevailed. The center is not yet finished and it is already producing many things that are very important for research. The Center for Biological Products that was being built was delayed. It was necessary to adapt some facilities for the products that were to be made there. Now it has sped up a lot. A contingent has been formed. By the end of this year some areas will have been finished and will be able to start production.

But these centers are expensive. Yesterday, I was reading an article in the press about CENPALAB. They said very proudly that this center cost 32 million. Of course, they are already producing a lot of equipment; it is the total cost: construction, imports, etc. A number of centers have been built; the one for tropical medicine is now being completed. This is another great center, but a very expensive one. There is no intention—and I say this completely honestly—of favoring one center over another, or some centers over others. And I have often said this to Comrade Rosa Elena, that whenever a possibility arises she can be assured that we will do everything possible to help those centers.

I am taking advantage of this opportunity to say this to you so you will have an idea, not only because of the applause the comrades received, not only because of the flowers or the medals, of the importance of the work that was mentioned: growth factor, meningitis vaccine, etc., the medical equipment that is....[changes thought] The other day we met about 30 [items], and in addition they are constantly being improved. We must say that at the immunoassay center they make some changes in the equipment every year. That is, they may copy it from us, but it is unlikely they will be a match for those that thought up this equipment and have worked every year to improve it.

We are going to expand our capacity to produce this equipment. But allow me to say that we have agreements, with the USSR alone, for 250 million rubles' worth of medicine and medical equipment and medical furniture for 1989. They have requested 250 million rubles' worth from us. That represents a considerable number of meningitis vaccines, a considerable amount of growth factor.

That is, some of these products have begun to become extremely important export categories. We have large markets, the Soviet market. We are talking about other countries that need these products and these medicines. We have China also, an enormous country. This is why whenever we have a product, we have to have figured out what would happen if one of these buyers gave us a big order. The least we can do is have it all worked out, have some surplus capacity. And we are doing so, creating some surplus capacity so as not to wait for them to make the request to us and then supply the product.

It will become an extremely important category of exports. I have mentioned a single country. Ah, we need time, a minimum of time to take advantage of these possibilities. And there are other things that are being worked on hard; difficult research is being done, and tests are being run. This is the advantage our country has over other capitalist countries. We have a national health system. This greatly facilitates research. Because the first ones here who were innoculated with the meningitis vaccine were the researchers—then volunteers. And once it was proven that the medicine did not do any harm and that it had an effect and produced antibodies, it began to be applied massively.

This is an example, and so volunteers here....[changes thought] If you produce something that lowers cholesterol and you want to test it, large numbers of volunteers will show up. If you also tell them that the product helps fertility and some of those things, even more people appear. In order not to reveal many details, which you must know, some of you must know, because some products become famous here very quickly. What is it called? LPD or L—no, what is it? PPD, right? PPD. It is said they are innoculating people with PPD.

By mentioning some of these cases, I wanted to show you some of the things we are doing, the policy we are

implementing, and how important this sphere of research is. You should fully understand that today this is perhaps more important than it will be 10 years from now, but it will always be important. Because of new emerging factors and new situations—I am responsibly telling you this—sciences may have a decisive significance for the country. As you leave this place tonight, a little tired of speeches, especially after hearing mine—not the ones made by Rosa Elena and Michel—despite my promise that I was going to be brief; well, you will have to forgive me because just as I was shy to improvise a speech before a group of scientists, one must also consider that if one has the privilege of doing so, one feels the desire to say many things. [applause]

I beg you to excuse me for the unexpected, or perhaps not so unexpected length of my speech. I want to congratulate you very sincerely. Believe me that it was moving for me to hear the speech of Rosa Elena and the words of Michel. I believe their speeches should be published by our press because they reflect the efforts made by the people, the progress made, the prevailing concepts, and the human quality of our researchers. Although with reservations, I also accept—since you decided to choose it—this date. It is the 16th of January, right? Today is the 15th, right? I made a mistake. I thought today, Monday, was already Tuesday. That's the way it goes.

This anniversary of the words I said, I believe on a corner of Habana Vieja during a ceremony organized by the Speleological Society, [words indistinct] Who remembered that? One day one researcher found that phrase: The country's future has to be, has to be necessarily....oops [laughter] a future of men of sciences. But they had it written there, they had it handwritten. How was that? Speak up, Rosa Elena, don't be shy.

[Rosa Elena] That was on the occasion of the dedication [passage indistinct].

[Castro] I have seen it in writing.

[Rosa Elena] [words indistinct]

[Castro] That was the only written portion of that speech. Because there is only a recording of the other portion and I do not know if there is a transcription of it.

Finally, comrades, I congratulate you all because I believe you deserve it and because I believe you will continue to deserve it every day. Fatherland or death. Socialism or death. We will win. [applause]

Bahamas

Broadcasting Corporation Workers Strike

FL2401000690 Bridgetown CANA in English 2344 GMT 23 Jan 90

[Text] Nassau, Bahamas, Jan 23, CANA—About 100 employees of the state-run Broadcasting Corporation of the Bahamas (BCB) remained off the job for the second day on Tuesday protesting the firing of union executive Paul Fernander. Except for the newsroom, which remained almost fully staffed, every area of the corporation has been hit by the stoppage. Managers and supervisors are working overtime to keep ZNS Radio and TV 13 on the air.

The Bahamas Communications and Public Workers Union [BCPWU], which represents the workers, has called for the dismissal of BCB Chairman Alfred Gray, a government member of parliament.

BCPWU President Keith Archer said the employees of the Bahamas Telecommunications Company (Batelco), which the union also represents, have pledged their support to the striking workers.

In a letter dated January 17, Fernander, an executive of the BCPWU, was told that his employment with the corporation "ceases with immediate effect." The letter stated that on January 4, Fernander attended a general staff meeting and showed contempt and disrespect for the corporation's managerial team.

Barbados

Quayle Trip Questioned by Former Minister

FL2301190790 Bridgetown CANA in English 1649 GMT 23 Jan 90

[Text] Bridgetown, Barbados, Jan 23, CANA—A former Barbados foreign minister says the proposed visit of U.S. Vice-President Dan Quayle to the region to diffuse criticism of the U.S invasion of Panama last month is not necessary. Sir James Tudor, now a government senator, said while he fully supported the stand taken by the Barbados government, "it is futile to pretend that Panamanians could have achieved this feat unaided." the Americans invaded Panama to oust military dictator Manuel Noriega, whom they have subsequently charged in a United States court for drug trafficking.

Tudor, who resigned as foreign minister last year, said he saw no reason to lament the removal of Noriega from the sight of the Panamanian people. Quayle is scheduled to visit Jamaica and two Latin American countries between January 27 to 29 on a diplomatic mission to mend fences following the invasion of Panama. "Quayle's proposed visit is unnecessary, not because there is little perceived enthusiasm for it, but because there is really no need to explain to Latin American governments an action which they heartily support in their consciences, but must necessarily condemn in public speech," Tudor wrote in his column in the NATION newspaper on Tuesday. He said Washington's decision to send Quayle to reassure Latin American and Caribbean leaders "is to them a piece of sublime mysticism and elephantine nonsense."

"Even Gorbachev (Soviet leader) ... Gave a lukewarm scolding to Bush (U.S. President) at a time when the Soviet Union was itself pondering whether to intervene

in the Romanian bloodletting." Tudor, who also served as Barbados' ambassador to the United Nations and Britain in the 1970's, said non-intervention in the affairs of sovereign states is a principle which is easily subscribed to "but is just as readily trimmed to suit particular circumstances."

"Of course a people's territory ought to be inviolate, but how, in any given circumstance, are they to shake off a tyrant who sends his murderers into the streets to block the results of a democratic election." Tudor said what was needed now to soothe the feelings of the region is for the Americans to restore the battered Panamanian economy.

"The other is early national elections of a new president and congress as soon as the United States troops have left," Tudor wrote.

Haiti

Ministry Restricts Radio, Television Reporting

FL2301204790 Port-au-Prince Radio Soleil Network in Creole 1730 GMT 23 Jan 90

[Text] Press Release from the Ministry of Information and Coordination: Because of the special situation of the nation, and within the framework of the state of seige, the Ministry of Information and Coordination asks radio and television stations in Haiti not to disseminate any local information without the Ministry giving its opinion on said information.

News reports from correspondents must be recorded before being aired. Information on Haiti from overseas radio or television sources absolutely may not be aired. Information or statements capable of inciting the population absolutely may not be put on the air.

These decisions shall remain in effect until the government decides to rescind them.

This is the press release we received Tuesday morning, 23 January, just as we were about to air the 0700 newscast on what is going on in Haiti. Because there are several things in this press release that we simply cannot understand, we are obliged to stop broadcasting news until we obtain some clarification of this matter and (?guarantees that we can do our work freely).

We are very sorry about this, and we hope the Haitian people, who have a right to hear the truth about what is going on in their country, will understand the validity of this initiative of ours.

Ambassador to U.S. Resigns to Protest Siege

FL2301155290 Bonaire Trans World Radio in English 1130 GMT 23 Jan 90

[Text] Haiti's ambassador to the United States has resigned to protest the state of siege declared Sunday. Francois Benoit held a news conference yesterday at OAS headquarters saying his country appears to have no intention of moving toward democracy. Mr. Benoit believes the nations in the hemisphere should be concerned about the situation in Haiti.

Meanwhile, Haitian human rights activist (Fritz Longshaw) says he believes the resignation will irreparably damage the Avril government.

More Opposition Leaders Arrests Reported

FL2301152090 Havana Tele Rebelde Network in Spanish 1200 GMT 23 Jan 90

[Text] More opposition leaders have been detained by the Haitian Army. Among the last ones to be jailed are Joseph Manigat, member of the National Alliance of People's Organizations. He was forcefully removed from the Radio Citadel station in Cap-Haitien. Franck Senat was also arrested. He is the leader of the Democratic Bloc organization and president of the Federation of Workers Trade Unions.

The state of emergency was implemented in Haiti after the death of the chief of the presidential guard under unclear circumstances last Friday. Organizations that oppose the Prosper Avril regime said the latest measures are aimed at the suspension of elections. The National Coalition for Democracy and Progress asserted in Port-au-Prince that the state of siege makes political parties' activities and the continuation of the electoral process impossible.

Soldiers Arrest Member of Democratic Bloc

FL2301160490 Port-au-Prince Radio Soleil Network in Creole 1730 GMT 22 Jan 90

[Excerpts] A group of soldiers from the Investigations and Anti-Gang Service arrested Franck Senat, a member of the Democratic Bloc, at approximately 0200 today, Monday 21 January. [day and date as heard] The soldiers, who gave no reason for the arrests, broke a glass window at Senat's residence so they could enter the house.

Senat's wife, Yvonne Sterlin, will give us further details of this arrest.

[Begin recording] [Reporter] [passage omitted] When they came to arrest your husband, did they say why they were arresting him?

[Sterlin] No, they never told him why. [passage omitted] I do not know why they arrested him.

[Reporter] Do you think he might have been arrested for belonging to the Democratic Bloc?

[Sterlin] Maybe, because many of the others have been arrested. Maybe because he is a political figure. Maybe. [passage omitted]

[Reporter] So now your husband is in jail. What are you planning to do to obtain his release?

[Sterlin] Well, I will ask everyone—all the radios—to help me find out what they have done with him. [passage omitted] [end recording]

Country Reportedly Calm After State of Siege

FL2301163090 Bonaire Trans World Radio in English 1130 GMT 23 Jan 90

[Text] Haiti was calm yesterday even after the state of siege and the deportation of as many as 10 opposition leaders. The declaration results in the suspension of constitutional rights for Haitians and means the government of Prosper Avril is ruling by decree. It followed last Friday's shooting death of an Army colonel and other violence. There are no reports of violence in reaction to the declaration, but three Haitian opposition parties have issued a joint declaration calling for the restoration of the Constitution and the strapping of the state of siege. The three parties also condemn the arrest and beating of some politicians and the deportations.

National Alliance Reacts to 20 Jan Events

FL2301183290 Port-au-Prince Radio Soleil Network in Creole 1730 GMT 22 Jan 90

[Text] In reaction to what has happened here, the National Alliance for Democracy and Progress, ANDP, asks that the law, which protects people's lives in Haiti, be reestablished. In a statement, the ANDP says the weekend's events are of extraordinary seriousness, with armed civilians entering people's homes without warrants and violating the domiciles of political leaders and figures, arresting, beating, and putting them through the mill. Furthermore, other prominent figures and political authorities have been expelled.

These measures violate the basic human rights of the people involved and do not respect the dispositions of the nation's Constitution. No government has a right to decide to apply the nation's fundamental laws any way it chooses, to further its own interests.

The ANDP says it notes that the martial law decreed by the government has made it impossible for political parties in Haiti to carry out their activities normally, and obstructs the democratic process.

The ANDP most vigorously condemns these actions that have been taken against political figures and leaders. The ANDP asks that the Constitution of 1987 be reinstated in its entirety, and that all measures violating citizens' rights be rescinded and an end be put to the martial law established in Haiti on 20 January.

This press release from the ANDP is signed by Marc L. Bazin for the Movement for the Establishment of Democracy in Haiti, Dejean Belizaire for the National Patriotic Movement of 28 November, and Serges Gilles for the Nationalistic and Progressive Revolutionary Party of Haiti.

Bishop Romelus Protests Current Situation

FL2301175890 Port-au-Prince Radio Soleil Network in Creole 1730 GMT 22 Jan 90

[Excerpts] Monsignor Willy Romelus has also reacted [to last weekend's events]. [passage omitted]

[Begin Romelus recording] [passage omitted] In view of everything that is happening, we are living in anxiety, sorrow, and fear. Because you have, however, placed your faith in God, I say to you once again: Be happy and lay your hearts at ease.

We ask all Haitians and all friends of Haiti to help us pray. [passage omitted]

You know our force lies in God. You remember the story of David and Goliath. This means that when we do as God has ordered us to do, we can simply observe the evil one, and await the reaction of our God. The evil one is digging his own grave. [passage omitted]

The situation we are in today is unprecedented. No democratic principle is respected! Human rights are being trampled. The nation's Constitution is considered trash. People cannot talk. Whereas, a citizen normally has the right to use any means he chooses to say what he thinks.

Can we, in Haiti, allow a few lawless people alone to make the law? Can we allow these people alone to do and undo? Can we remain silent just because they have weapons?

We protest most forcefully against such a situation! We protest against all these arbitrary arrests; against all the illegal imprisonments; against all the murders and assassinations, violations of domicile, acts of insecurity, and thefts. We protest everything that happened last week. We protest the exiling of certain leaders, the arrests of several different people, the mistreating of many people, and the ongoing persecution of others.

In the name of the God, who is master of heaven and earth and the entire universe, we say to those committing these acts that they can just await their turn. God's justice (?is slow), it is true; but (?God never ever forgets).

The God of peace and justice must give us justice and his peace throughout Haiti. [end recording]

Committees Call for Solidarity With People

FL2301164190 Port-au-Prince Radio Soleil Network in Creole 1730 GMT 22 Jan 90

[Excerpts] (Frederic Gialton), socialist deputy from Guadeloupe, today called on all democrats in Guadeloupe to prepare to concretely show their support for the Haitian people during their current moment of tribulation. [passage omitted]

The Association of Haitians in Martinique has protested the way the Haitian military government has exiled

political leaders. The committee asks all Haitians living in Martinique to show their displeasure with the attitude of the president of the Haitian military government by refusing to request visas from Haitian Consulates. The committee reiterated its solidarity with those suffering in Haiti. [passage omitted]

The Martiniquais Committee of Solidarity with the Peoples of the Caribbean and Central America has denounced the martial law General Prosper Avril has decreed in Haiti and reiterated its solidarity with the democratic opposition struggling to establish a real democracy in Haiti. The committee also announced that there will be demonstrations in Fort-de-France, Martinique, to protest the attitude of the Haitian military government.

[Begin unidentified speaker recording, in French] The Martiniquais Committee of Solidarity with the Peoples of the Caribbean and Central America [Comite Martiniquais de Solidarity avec les Peuples de la Caraibe de d'Amerique Centrale], a solidarity organization in Martinique, denounces the establishment of martial law by the macoute general, Prosper Avril. [passage omitted] We will stage demonstrations in Fort-de-France, on Martinique. We will also coordinate our actions so there will be actions of solidarity with the Haitian people throughout the Caribbean. [end recording]

Canada Issues Communique on 20 Jan Events

FL2301172790 Port-au-Prince Radio Soleil Network in Creole 1730 GMT 22 Jan 90

[Text] A press release issued by the Canadian Embassy in Port-au-Prince on Sunday 21 January says that in a comment on the situation in Haiti made by Canadian Secretary of State for Foreign Affairs Joe Clark, Canada says it regrets that martial law has been established in Haiti—as Canada would regret it if the Haitian military government is not intending to follow through with the elections that are scheduled to be held this year in Haiti.

This was Clark's reaction following the wave of arrests, abuses, and exilings of several political figures on 20 January, the same day martial law was decreed.

Clark said such a series of decisions can be considered a big step backward in the committment to setting Haiti along the road to proper democratic institutions that the military government has made several times in the past.

Clark added that he was greatly concerned over the reports that the military authorities have physically abused political figures. That is why he has asked the Canadian Embassy in Port-au-Prince to obtain accurate information on the matter of abuse and to insist that the Haitian Government respect democratic freedoms.

Clark also said the shelving of several constitutional articles that protect Haitian citizens from arbitrary arrest and exile is extremely deplorable.

The Canadian Embassy in Port-au-Prince recalled that Canada suspended all Canadian Government aid to Haiti at the time of the Saint Jean Bosco massacre of 11 September 1988.

FADH Issues Press Release on Aquin Arrests

FL2301200990 Port-au-Prince Radio Nationale in Creole 1200 GMT 23 Jan 90

[Text] Yesterday, Aquin correspondent Julio Apollon reported that the area police had arrested a certain Fernand Gerard Laforest and his wife, and had found weapons and ammunition in the vehicle the couple was driving. The correspondent told us the commander of the Military Department of the South, Colonel Marie Alix Rene, had taken the accused couple to Port-au-Prince.

The Haitian Armed Forces [FADH] General Headquarters has sent us a press release giving further details of this arrest. We will read this press release for you.

The FADH General Headquarters informs everyone that following the recent measures taken by the government of the Republic at a roadblock set up in Aquin, weapons, ammunition, and military equipment were confiscated from Fernand Gerard Laforest, also known as Dr. Gerard Fernand, who was wearing olive green military field dress.

Confiscated from Laforest were: a FAL assault rifle; 16 20-round FAL clips, loaded; two FAL clip-carriers; a 9-mm Luger machine pistol; three full Luger clips; a 38-caliber revolver; a 12-gauge shotgun; two 69-cartridge cartridge belts filled with 12-gauge shells; one machete; southern region military (? ID cards); a pair of commando boots; a set of tools; a bunch of gourdes [youn bidon goud]; military belts (?of strong rough fabric); clip-carriers; knapsacks; woolen blankets; and radio communications equipment.

In addition to this, Laforest had other articles in his possession—for example: two cameras with zoom lenses, three hats, three motor vehicle registration cards, seven sets of keys, a (?Porsche) flashlight. Also found were two ice chests, two address books, four watches, a stopwatch, $300 in U.S. currency, groceries, foodstuffs, and several other things.

This press release from the FADH General Headquarters is signed by Andre Jean-Pierre, Adjutant General, (?and says) by order of Major General Herard Abraham.

This is a press release from the FADH General Headquarters in connection with our Aquin correspondent's report regarding the arrest of Fernand Gerard Laforest and his wife, who were driving about in a jeep loaded up with weapons, military equipment, and other munitions.

Radio Reports 20 Jan Arrests, Expulsions

FL2301162090 Port-au-Prince Radio Soleil Network in Creole 1730 GMT 22 Jan 90

[Excerpts] Five days after President Prosper Avril's return to Haiti, and five days after the (?speeches) made at the Port-au-Prince airport and the smearing [with feces] of political party and union headquarters, the military government has shifted into a higher gear. Several dozen people have been arrested. Members of the opposition have been beaten, imprisoned, and expelled from Haiti.

Among those expelled are Mobilization for National Development leader Hubert de Ronceray and Dr. Louis E. Roy, former member of the constitutional assembly and a member of the Civilian Society Initiative Group for the Respect of the Constitution. Also arrested and expelled were Dr. Sylvan Jolibois of the Jean-Jacques Dessalines Nationalist Party [name of organization as heard]; Gesner Prudent of the Movement for the Establishment of Democracy in Haiti; Max Montreuil, [head] of the Cap-Haitien neighborhood committees; Max Bourjolly, number two man in the Unified Party of Haitian Communists; and journalist and teacher Michel Legros. Others have also reportedly been expelled, but we do not have clear details on that matter yet. [passage omitted]

Dr. Emile Brun, a member of the National Committee of the Congress of Democratic Movements [Conacom], was arrested by a group of men after these men sacked the headquarters of the Ecumenical Center for Human Rights, where a group of people were meeting. The armed men who sacked the center's headquarters on that occasion carted away more than 20 members of Conacom to the Anti-Gang Service, where they manhandled them. Some of the men were released on that same evening of 20 January.

Another person arrested and manhandled is Serges Gilles, leader of the Nationalistic and Progressive Revolutionary Party of Haiti, Panpra. Many other people have been arrested, but we do not yet have information on who they are. [passage omitted]

With the decreeing of martial law, all fundamental freedoms have disappeared. No rights are guaranteed. In fact, this situation already existed. The only difference is that there was no decree to back it up. [passage omitted]

Radio Soleil Reviews Current Events

FL2301193590 Port-au-Prince Radio Soleil Network in Creole 1730 GMT 22 Jan 90

[Excerpts] A group of armed civilians arrested Michel Legros [journalist and teacher] at his home on Avenue Pouplard last Saturday, 20 January, at around noon. His mother, Mrs. Gloria Legros, says he was tutoring a child when four armed men in civilian clothing pointed weapons at him, began manhandling him, and shoved him into a car. When she appeared to find out what was going on, the men pounded their chests repeatedly and said: We have taken power for good! [passage omitted]

As we said earlier, Dr. Michel Brun [name as heard], a member of the National Committee of the Congress of Democratic Movements [Conacom] was arrested by a group of armed men in civilian clothes after these men finished sacking the headquarters of the Ecumenical Center for Human Rights, where a group of people was meeting. On that occasion, the armed men detained more than 20 members of Conacom. They took them to the Anti-Gang Service, where they manhandled them. Many of the men arrested were later released. [passage omitted]

Since events are generally connected to one another, we will try to take a retrospective look at what happened before these raids and the suspending of all the fundamental freedoms.

[Passage omitted] On 7 January, the general-president, his entire family, and several high-ranking officials who occupy key positions in the government took a plane for Taiwan, Republic of China. Many people found this trip unexpected and felt the population had not been given accurate information as to the real purpose of the trip. Certain political opposition leaders even said the general was going to settle some personal business with his (?cronies) in Taiwan, while spending close to $100,000 to make the trip. All these words, however, were superfluous. The general left, as had been announced. [passage omitted]

After the Ministry of Information reacted, criticized, and washed its hands of this matter of insecurity, which has already caused the death of several leaders and several hundred members of the civilian society—with the latest case being the death of the Radio Cacique speaker—people following the evolution of the political situation were doing a lot of wondering.

They wondered, for example: What sector desires the insecurity? Who is responsible for this insecurity? Who is maintaining it? Why?

According to these people, insecurity has become a sort of prescription medicine. Former militants of the extreme right and (?extreme communist left) struck out with heavy-caliber weapons during the 29 November elections. [sentence as heard] There was bloodshed, with voters dying with ballots in hand, and the elections were spoiled. During the 17 January elections, not even a firecracker was heard. There was not a drop of blood, and the elections were held. Insecurity was to resume when (?it was time to oust) President Leslie Manigat.

Observers also wondered if the military government is impotent before a column of death (?squads) that do not give the population a chance to catch a breath. If a military government cannot solve an insecurity problem, which is supposed to be its specialty, can people expect it to be successful in other spheres? These are the kinds of questions people were asking.

Regarding the weapons doing the damage, people following the situation asked: After all the searches of residences for weapons and all the calls to bring weapons back, has the Haitian Armed Forces General Headquarters still been unable to get back all the weapons that had been distributed to macoutes and detectives for special missions—so everyone could be sure the police know about whatever weapons are left out in society?

Regarding the matter of armed civilians, people made the following observation: Everyone knows the prefecture was a corps of armed civilians, also called secret police, who were above the law and who spied on, arrested, trampled, and caused all those who did not like the government to disappear. Despite the fact that the Constitution of 1987 did away with the prefecture, the military government reinstated it, without saying whether or not the prefecture had a different form, role, and spirit. Thus, people following events and analyzing the phenomenon of insecurity after the Information Ministry press release say that, until light is cast on this matter, it will be difficult to distinguish the government's armed civilians from the prefecture and the militants from the extreme right and (?extreme communist left) that the Information Ministry talks about.

After all this, in view of the reaction of the Information Ministry's Directorate of Information, observers pointed out that there is one civilian society sector that is never touched by all these acts of intimidation, repression, persecution, and murder. For example, government employees or government press journalists do not easily fall victim to these things. [passage omitted]

Then, on the night of 19 January, retired Colonel Andre Neptune, who was still at the National Palace, where he had worked for 31 years, was, in turn, murdered as he was (?on his way home) in the Fontamara section of Port-au-Prince. His wife and a person who worked at their home were kidnapped, and killed in the same way a little later. [sentence as heard]

This latest murder of some of the government's own children, has only served to lengthen the list of questions observers are asking.

Article Castigates Subversive Political Groups

FL2301171990 Port-au-Prince L'UNION in French No 289, 20-22 Jan 90 p 3

[Unsigned article: "Who Stands To Benefit From the Climate of Insecurity?"]

[Text] Thanks to the revolutionary outburst of 7 February 1986, political groups became a part of the national geographical space. Gradually, they fill out, become stronger. They impose their devastating ideology, even going so far as to orchestrate vast campaigns to destabilize the Haitian political system.

How could it be otherwise?...They (?are) financed from abroad by well-known international dens of shady business. They are experienced in the profession of arms. They know well, have at their fingertips, the subversive techniques taught and employed in Libya and Lebanon. Therefore, since Haiti offers them virgin turf, an ideal training school, they take advantage of this fact to achieve their wretched design, to carry out their dirty work.

They make pacts with shady politicians, crooked politicians who are seeking the supreme power. Thus there is an increasing number of wild-cat strikes, low blows, assassinations, and the most sordid of plots. They make use of everything to contribute to creating, fueling, and maintaining this climate of insecurity.

Bereft of any development program, of any real platform capable of propelling the country definitively along the path of progress, and incapable of coming up with a systematic concept of how to promote Haitians, they strain their ingenuity to give rise to equivocacy and misunderstandings..."these misunderstandings that divide the country against itself...whereas our unity as a people transcends the personal fantasies," that engender public disturbances and dissension.

On the other hand, the nation's wholesome forces know that the Permanent Electoral Council [CEP] must be backed up. They are aware of the fact that the CEP's nine members must be given a chance to lay the foundations for a real, electoral institution, one in which people can believe. One must not allow oneself to be guided by the obsession with becoming president.

The true patriot must instead buckle down to the ever so exalting task of rebuilding the community through methodic, dynamic, and progressive work that liberates the nation definitively—socially, politically, economically, and culturally. The silent majority condemns the harsh, unfounded criticism directed against those whose historic mission it is to organize the nation's structures. This silent majority deeply disapproves of these gratuitous accusations, these diversions the only objective of which is to destablize the government in place.

The silent majority is shrewd enough to see through this macabre script. The silent majority adopts for itself the thinking of Chancellor Helmut Kohl: "We are facing a great trial, a trial that requires reason and intelligence from us... Intelligence does not mean following extremist watchwords and words but finding enough prudence (?to follow) step by step, the path of a common future profitable to the whole."

Electoral Council Delegation Visits Northeast

FL2301180890 Port-au-Prince Radio Nationale in Creole 1200 GMT 22 Jan 90

[Report by Jocelyn Dorsaint from Fort Liberte]

[Excerpts] A Permanent Electoral Council [CEP] delegation arrived in Fort Liberte over the weekend to choose the members of the electoral office for the Department of the Northeast. Here is our correspondent Jocelyn Dorsaint with more details.

[Begin Dorsaint recording] [passage omitted] A CEP delegation was in the northeast yesterday. This delegation was made up of CEP Vice President Gabriel Augustin, who was heading the delegation, and members Pauris Jean-Baptiste and Archange Leon. They came to obtain a list of names of people proposed by the population to be part of the Departmental Electoral Office [BED] for the Department of the Northeast.

The CEP visited Ouanaminthe, where the population gave them eight names: Gracia Fleurant, Joseph Luberis Abelard, Jacque Louis Dumez, McKenzie Duty, Armand Joseph, Olin Joseph, Eugene Elin Mercier, and Moclair Pierre.

The population of Fort Liberte gave them six names: Magna Saint-Victor, Cauvain Voltaire, Franck Charles-Pierre, Massillon Joseph, Obert Saint-Hubert, and Moncet Moro.

According to the CEP members, they went to the chief town of each administrative district.

They still have not been to Trou du Nord. We have no information on their visit to Trou de Nord. [passage omitted]

Lawyer Nilex Calixte asked the CEP members, first of all, why, if they were visiting all chief towns of administrative districts, had they ignored Vallieres, for there are four administrative districts in the northeast? Second, he contested Franck Charles-Pierre's eligibility for the BED, saying Charles-Pierre is the representative of the Movement for the Establishment of Democracy in Haiti, MIDH, and that he had been chosen for jury duty during last week's criminal trials by jury, but had refused to serve. Calixte said the doyen of the court had to send people out to arrest Charles-Pierre where he was hiding. Calixte said Articles 226 and 231 of the code of criminal procedure stipulate that anyone who refuses to do jury duty may not hold any public position for between 6 months and 2 years.

Since each candidate for the BED had followers there to acclaim them, each group of people began (?supporting) its candidate—particularly the groups supporting Massillon Joseph and Franck Charles-Pierre, who began crying: "Long Live Massillon" and "Long live Charlie," for Franck Charles-Pierre.

The CEP members, who saw that the atmosphere had become disturbed, left immediately and went to the hotel before departing for Trou du Nord. [passage omitted]

Trinidad and Tobago

Political Row Brewing Over Police Shooting

FL2301190590 Bridgetown CANA in English 1627 GMT 23 Jan 90

[Text] Port of Spain, Trinidad, Jan 23, CANA—A political row is brewing here over the police shooting of a wanted man in Laventille, just outside Port of Spain on Sunday. National Security Minister Selwyn Richardson said the parliamentary representative for the area, Morris Marshall, is playing judge and jury over the incident. Police said they shot and killed Franklin "Weasel" John. However Marshall, in a letter to the minister, said John's killing by the police could have been avoided.

He complained about "the insensitivity and cruelty ...(and) what has been described by eyewitnesses as the wanton slaying by the police of Franklin John." Richardson said he did not hear of Marshall's complaints when police officers were being fired upon in various shootouts by bandits.

Costa Rica

Endara To Use Local Civil Guard as Model

PA2301153490 San Jose Radio Reloj in Spanish 0100 GMT 23 Jan 90

[Text] Panamanian President Guillermo Endara met with the Costa Rican ministers of security and government on 22 January in the afternoon to request their help and support in establishing the Panamanian civil guard.

According to Endara, the Panamanian Government will use the Costa Rican Civil Guard's structure as a model in his country in the face of the imminent abolition of its army.

Endara said that the Costa Rican model of having a civil guard and no army would help Panama maintain and guarantee the democracy which was established little more than 1 month ago.

Government Minister Antonio Alvarez Desanti and Security Minister Hernan Garron Salazar both told President Endara they would provide all the literature and training required to create the Panamanian civil guard.

Meanwhile, during his meeting with Ministers Alvarez and Garron, Endara said that the democratization process in his country will be a slow process and that no one should expect overnight achievements. He added that being in Costa Rica gives him the feeling of enjoying liberty and freedom of speech, a feeling that he did not have for many years in Panama.

As a result of the meeting between the Panamanian president and the Costa Rican ministers of government and security, the two countries will define the actual borderline between them in the next few months. President Guillermo Endara said that the actual borderline between Panama and Costa Rica is not currently known, and thus a correct delineation is urgently needed.

President Endara said that the relations between the two countries will be more harmonious once the borderline is well defined because conflicts will then be eliminated. Endara also met with Mr Manuel Ventura, secretary of the Inter-American Human Rights Court headquartered in Costa Rica, and committed himself to accepting the court's jurisdiction in his country.

Endara pointed out that it is very important for his country to recognize the jurisdiction of the human rights courts because this would strengthen the democratic system that Panama recently established.

The secretary of the human rights court handed the Panamanian president the documents pertaining to the establishment of the jurisdiction of this organization in the countries.

El Salvador

Army Rules Out Guerrillas Causing Plane Crash

PA2401010590 Panama City ACAN in Spanish 0016 GMT 24 Jan 90

[Text] San Salvador, 23 Jan (ACAN-EFE)—The Salvadoran Army today "completely" ruled out the possibility that a guerilla attack may have been the cause of an accident suffered by a Cessna D-41 plane in which three newsmen from the Army press office and a military man died.

A spokesman for the Armed Forces Press Committee (Coprefa) asserted that the plane "crashed" after taking off from the military base in San Francisco Gotera, 168 km in the northeastern department of Morazan. [sentence as received]

The plane's pilot, Lieutenant Florencio Trejo Pachecho, and reporter Juan Quintero, cameraman Antonio Duran, and sound technician Guillermo Matute of Coprefa died in the crash, which took place this afternoon.

According to military sources, Morazan is one of the Salvadoran departments in which the guerrilla activities are constant.

The newsmen were returning to San Salvador from the northeastern town of Jocoro (in Morazan), to which they had been dispatched to cover the inauguration of some public works there.

* Bishop Denies Religious Persecution Exists

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[Editorial Report] The San Salvador Spanish-language newspaper EL DIARIO DE HOY of 12 December reports on pages 3 and 31 that Monsignor Romeo Tovar Astorga has rejected claims that there is religious persecution in El Salvador. Commenting on the detention of church members accused of collaborating with the FMLN-FDR [Farabundo Marti National Liberation Front-Revolutionary Democratic Front], Monsignor Tovar stated, "the authorities have an obligation to capture anyone who endangers the lives of others or threatens the stability of a legitimately elected government." Monsignor Tovar, who is president of the Bishop's Conference of El Salvador and the bishop of La Paz, defined religious persecution as the harrassment of a person or institution because of their faith. "Here in El Salvador no one is being persecuted because of their faith," he said.

The Salvadoran Government has been accused of practicing religious persecution following the arrest of clergymen of various religions accused of collaborating with the FMLN-FDR or having ties to the "popular church."

President Cristiani has emphatically denied that there is persecution against the church or against the clergy in

general, explaining that they were arresting and handing over to the courts those who had been shown to have ties to the FMLN, and that those who had been found innocent of the charges had been released.

Monsignor Tovar Astorga said that each person is free to have his own opinion based on the information and evidence he has. However, he said he personally did not have evidence to accuse the Salvadoran Government of persecuting either members of the Catholic Church or members of any of the various Protestant sects which operates in the country.

The CEDES [Salvadoran Episcopal Conference] president said that if a member of any congregation commits a crime, endangers either the lives of others, the stability of a legitimately elected government, or the nation's peace, they have to answer for their actions before the courts.

"It is the duty of the authorities to act against those persons who, placing themselves on the margin of the law, endanger the lives or property of others or the stability of a legitimatley elected government," he said.

National Guard Arrests, Releases Union Leaders

PA2401034490 Panama City ACAN in Spanish 0209 GMT 24 Jan 90

[Text] San Salvador, 23 Jan (ACAN-EFE)—According to union sources, 21 union members, including Samuel Maldonado, leader of the Federation of Democratic Workers (CTD), were arrested and held for 7 hours today at the National Guard headquarters in San Salvador and later released.

Maldonado and approximately 20 union members were arrested at the headquarters of the CTD, a union of Christian Democratic leaning, where they were planning activities characteristic of their organization, the union leader said.

"They tied our hands, made us stand in front of a wall, and accused us of being opponents of the government and violating the country's laws," the labor leader told ACAN-EFE.

National Guard Director Juan Carlos Carillo told the press that the detainees violated the state of siege imposed by the Salvadoran Government, which bans meetings of more than five people, for which a permit must be requested from the Armed Forces General Staff.

Maldonado asserted that the union meeting had been authorized by the Army High Command.

After staying at the National Guard headquarters for 7 hours, they told us that they "were releasing us because there had been some confusion."

He added that, at the time of their arrest, they were told by an officer that "he was complying with orders from higher authority and refused to listen to any explanations."

The Salvadoran Government declared the state of siege on 12 November, one day after the guerillas launched a powerful military offensive, and the Legislative Assembly extended it for an additional 30 days on 10 January.

Under the state of siege, freedoms of association, organization, assembly, transit, and speech are suspended, among other constitutional guarantees.

Amanda Villatoro, general coordinator of the National Union of Christian Workers (UNOC), to which the CTD belongs, said that they have been "receiving threats" and asserted that "there are groups in the country which are interested in undermining the labor movment."

The UNOC has filed a petition to declare the state of siege unconstitutional at the Supreme Court. Autoprocessing Division

Nicaragua

Ortega Opens 6th Session of National Assembly

PA2301171190 Managua Domestic Service in Spanish 1738 GMT 22 Jan 90

[Speech by President Daniel Ortega opening the sixth legislative session of the National Assembly in Managua—live]

[Text] Good morning Nicaraguan brothers, good morning esteemed representatives of the National Assembly, government ministers, diplomatic corps, and special guests.

The effort undertaken by the Nicaraguan Government in 1989 had two central objectives: Achieve peace for the Nicaraguan people and defend the economy of all Nicaraguans. I can state with full responsibility that these two great objectives were achieved.

As for peace, in keeping with the agreements of the Central American presidents, 1989 was a year rich in new agreements which have even led the U.S. government to allocate $3 million to be used by the United Nations and the OAS for the program of repatriation or relocation of the contras who are in camps in Honduran territory. Even though this does not mean total compliance by the U.S. Government—because the mandate of the Central American presidents calls for the total amount of the aid to be used for the demobilization and the repatriation of the contras—it is a sign that the United States is seeing the policy of the counterrevolution as a failed policy that does not have great support in Nicaragua, in the United States or in the international community.

In the socioeconomic sector, at the end of 1988, there were lengthy discussions at the National Planning Council, which faced an extremely critical situation because the entire national economy was threatened. Inflation had reached really unbearable levels. We had closed 1988 with 33,600 percent inflation, and we needed to take a new path in Nicaragua's economic policy so as to save the Nicaraguan economy.

After many discussions, an economic program emerged which some critics of the program call the [words indistinct], but which I would call the Nicaragua plan because it was a program designed by Nicaraguans, based on the social, political, and economic reality that Nicaragua has experienced in these 10 years of revolution.

This program is a result of the Nicaraguan situation. It could be no other way. We fully discussed this program. I acted as the devil's advocate in those discussions while searching for other alternatives because I was of the opinion that the plan was too harsh. I tried to find alternatives. We looked for alternatives and found none other than the one we were discussing.

I am explaining this because I want to take responsibility for the economic program. I think that presidents of some countries do not have economic teams so that they can establish economic policies. Presidents have economic teams so that they can make proposals and present options from a technical and professional point of view. Policy decisions must be adopted by the president, after having listened to the economists, of course.

I believe that the effort made by most Nicaraguan people in 1989 to implement the economic plan was truly important.

The economic plan that I approved in 1987, pardon me, in 1988, for implementation in 1989 was an economic plan that had its basis in 1985 [words indistinct]. In 1988, during the discussions that took place when inflation reached the alarming rate of 33,600 percent annually, we decided to take this big step. We decided to get to the heart of the economic problem.

I could ask why the economic plan was not implemented in 1988 if it was so good. Why was it not implemented in 1987, or in 1986, or in 1985? I want to say that this program was not implemented during those years simply because the economic, political, and social conditions did not exist to implement a plan of that kind. Now it is necessary to have an efficient policy. At that time, it was necessary to implement a policy of subsidies to save the Nicaraguan economy, which was seriously threatened by the United State's sponsored war. We needed a policy of subsidies in the social field because that was a historic commitment of the revolution to the Nicaraguan people.

We could not think of implementing a policy of unemployment and applying well-known IMF formulas. In other words, we did not implement this economic plan earlier because the conditions were not suitable.

A few months after the approval of this economic plan, in April, we met at the Olof Palme Building with Nicaraguan producers. Workers as well as government officials also attended this meeting.

During the discussions, producers who have been critics of the government's economic policies and of the economic plan for 1989 did not adopt a responsible position. They went there to demand more flexibility from the already flexible economic policy of the Nicaraguan Government. We are talking about producers who, for assuming a political position, are in favor of IMF-type economic plans that are supported by the IMF and, therefore, are directed and implemented by the IMF.

And when a proposed economic plan was adopted in 1989 by all Nicaraguan Government officials, by the planning officials, they said that this economic proposal, this economic policy, was not good or functional. However, when we met to discuss economic matters, they then appealed to the economic programs that the government is already applying. They even went beyond the economic programs that the government is applying and that they allegedly disagree with and oppose.

This economic program has a goal: To reduce the fiscal deficit, reduce inflation, increase production of food and basic goods, increase exports and protect the workers. That is the basic goal of the economic program.

When we discussed this at the Olof Palme Building, the farmers began to complain that they were having difficulties and were taking a loss, and that sorghum producers were having a difficult time, not to mention the producers of basic grains. Thus, they demanded greater flexibility in the application of the economic program that had been criticized by some of them who were at the meeting, but supported by most of the participants in the meeting. However, the contradictory thing is that those who criticized the economic program, later called for the economic program to be applied with greater flexibility.

After mulling over the problem for some time, I met with the comrades of the National Planning Council, and I immediately informed them of the farmer's demands—as well as the demands of the producers of basic grains, coffee, cotton, sorghum, and rice—and to ask what we were going to do.

It was understood that if I were to adhere strictly to the economic program to ensure that the inflation rate in 1989 was less than the inflation rate that had been computed for the year, then I could do absolutely nothing to make things more flexible for the farmers.

I would have had to tell them: Messrs producers, you know how one works under capitalism. In the capitalist system, the one who can pay [his debts] to the bank will continue working with the bank. As for the one who cannot pay, well, the bank will seize his property and not lend him a single cent again.

You know how one works under capitalism. There is no consideration and no one will ask you why your crop was poor or why your production was poor. There is competition even among the survivors, who are the large ones, the largest ones. Only the strongest and most developed enterprises survive and even they engage in price wars among themselves. The small and medium-sized producers fold. Even the largest ones do.

Logically, if our interest is to save production for all Nicaraguans, we have to enforce a flexible policy when implementing a program like the one we have been implementing and will continue to implement during this year, 1990. This has to be done with flexibility and that is why we are pointing out that this is a heterodox program. It has an IMF profile indeed.

Here in Nicaragua we have been using working tools. These working tools are dependent on who is holding the tools. If the function of the working tools is to exploit the people, to exploit the producer, to liquidate the producers, and to let only a small minority survive, then those working tools undoubtedly become negative working tools. However, when those working tools operate to uplift the economy without discrimination; to uplift the economy relying on the farmworkers, the industrial workers, the agricultural and livestock producer, the industrial producer, the trade, and merchants, then those measures have to be applied with flexibility.

During the recess, I talked with the comrade Cabinet ministers about the demands which are being posed on us by producers who favor political positions that are clearly at odds with the measures the government has been enforcing, for their own benefit, like subsidizing credits, subsidizing inputs, subsidizing machinery and equipment—all that is subsidized in Nicaragua in 1989. All this was dirt cheap in Nicaragua until 1989. All producers were able to obtain transportation equipment, spare parts, inputs, lubricants, and fuel at cost. The prices were very, very low because the costs were subsidized. Even the food for the workers was subsidized, and the producer who previously worried about producing maize on his farm to feed his workers stopped worrying about it and said, well, let the government take care of that. It can sell maize to me at a price which is substantially lower than it would cost me to produce it to feed the workers.

In a conversation with the comrade Cabinet ministers—that is, Finance Minister William Hooper and the president of the Central Bank—they told me outright: We are convinced that if we—talking as technicians—bow to the producers' demands, we will not be able to achieve 100 percent of our anti-inflationary goal.

This would mean we would meet our goal by 98 or 96 percent. We would be breaking the ceiling we had established in this aspect. There is also a tax problem involved, as well as credit and the debt. In other words, we would be transferring the debt from the producers to the state and banks. We would be subsidizing producers so that they could feel they were protected 100 percent. Consequently, taking into consideration the technical aspects, but valuing more the economic policy aspects—and above all defining the line of this revolutionary process—we do not want to eliminate the producers. Instead, we want all producers in this country to become stable and produce efficiently. The process is not designed to affect any workers, but rather is intended so that all workers' jobs will be guaranteed. This is when I decided to approve a whole package of measures that, from a technical and economic viewpoint, will resolve the problem. Considered from a national viewpoint, these measures favored the Nicaraguan economy in its various aspects. What has been the economic proposal that the revolution has been making? Mixed economy, which will be accompanied by a direct, political, multiparty proposal. Ironically, I have sometimes read articles in the newspapers that hold a strong position against the Nicaraguan people and government. It is ironic to hear some politicians, who enjoy a multiparty policy thanks to the revolution and who have political space thanks to the revolution, say that Nicaragua is a country that does not accept perestroyka; that Nicaragua is a harsh, closed, and totalitarian society; that while perestroyka is functioning in the Soviet Union and had arrived in the GDR, Bulgaria, Czechoslovakia, Poland, and Hungary, it has not arrived in Nicaragua.

I was one day talking on this subject to a papal delegate, a cardinal who had come to Nicaragua. We discussed the subject. He said: I would like to see [words indistinct]. I replied: Do you people want perestroyka? If so, let us turn Nicaragua into a state similar to the Soviet Union. I see that you admire the Soviet Union very much. I also admire the Soviet Union myself. This means we will formulate Nicaragua according to the same political and economic pattern as that of the Soviet Union. This means that a multiparty policy cannot exist as it has been practiced in Nicaragua. It would have assumed a different form.

The topic of the multiparty system has been debated in the Soviet Union, and there is one party there. The deputies know perfectly well how the multiparty system works in Nicaragua and how that political aspect works in the Soviet Union. Regarding the economic area, well, in Nicaragua there are many more private owners than in the Soviet Union. If they want perestroyka like in the Soviet Union, we would have to eliminate many private owners and turn those properties into state enterprises.

The Nicaraguan revolution does not need perestroyka because the Nicaraguan revolution, before victory, and after victory—when the revolutionary government was established—drew a social, economic, and political guideline that is new and of a philosophical nature. Here we do not discuss religion as the opium of the people. Here we have carried out a revolution with a Christian people, with a religious people, and we will continue doing so. And there are the economic and political aspects: In Nicaragua there is a multiparty system and a mixed economy.

Those who want us to be like the Soviet Union should know more about how the Soviet Union functions under perestroyka. If the producers want the economy to function as it functions in the Soviet Union under perestroyka, and if they also want that political system, then we can oblige them, but the leadership here is not in the hands of those making absurd criticisms, but in the hands of the people. The economic plan we drafted calls for incorporating all of the economic and social sectors in the reconstruction effort of Nicaragua. The revolution has never proposed the elimination of any economic or social sector. We have always urged all producers to produce and the workers to produce also, including the large, the medium, and the small producers.

We can say that there have been some unjust confiscations. Most were fair. A few have been unjust. However, if we compare the number of unjust confiscations with the number of Nicaraguan producers who remained in Nicaragua and who did not leave, we find that most stayed and did not lose their land.

There were a small number of producers who truly were unjustly affected. The people most affected were Somoza and the Somozists, the Somozist guards who had stolen land from the peasants. Most of the producers—small, medium, and large producers who were here before the revolution—have been working after the victory of the revolution. Some large, medium, and small producers have been negatively affected. However, they are in the minority, not the majority. Otherwise, how could we explain the sustained coffee production in the country, considering that coffee production depends on the private farms, and that the production of cotton, which also depends on private production, has also been sustained?

It is true that there has been a very important effort to modernize production, to make the people's sectors produce more. Production has been modernized, and small, medium, and large producers have also benefitted from this modernization. Recently I had a chat with Matagalpa producers.

These Matagalpa producers have been working in Nicaragua all of these years. They have maintained a constructive political stand and have always talked with the government and me. Together, we have been finding solutions to their problems. Some of them have been unjustly affected. And I say unjustly because I understand justice in the revolutionary process. In other societies there are regulations and bylaws which, although unjust, are obeyed by everyone. They spoke to me about the bank. They said it cannot be said the bank holds the producer's land because the revolution does not want the bank to own the land and then speculate with it. Instead, the state and revolution want the peasants, cooperatives, small, medium-, and large-scale producers to own the land. In this way, such lands can be developed and land ownership among the people increased.

Others said: I owed the bank—listen to this—675,000 cordobas, so the farm, which was worth a little more than 3 million cordobas, was taken away from me. [Words indistinct] This happened in 1981 and early 1982. There was a government junta at the time, and I was not president. It was a special situation. The economic system was handled by the Central Bank president. [Words indistinct] There were discussions but no more. I cannot remember who was bank president, but he was a businessman who implemented the policies of any bank in a capitalist society. These are the policies that banks apply in Latin America and the United States. And this is what happened. The bank sets its terms. I lend you the money, you pay it back. If you cannot, I do not care. I take possession of the collateral and that is it. You lose your property.

Suppose you had a piece of property worth 100 billion cordobas and that I had lent you 100 million cordobas—you lost it. You cannot even protest because these are the laws and regulations of a capitalist state. So this man, who was bank president at the time, applied the bank policy.

This is the way bank officials think. This was a problem of the junta, not mine. I was not president of Nicaragua at the time. But, because we want you to work and produce, we will seek a way to compensate you. These people found a way to work and grow, have sided with the revolution, are very aware of the mistakes made, are very vociferous, and show up everywhere. When I visit there I always hear criticism, but they are great producers. They are so good that [words indistinct] the bank always loses. It is fair to correct injustices.

I also encountered another case here recently. A producer lost 3,000 manzanas of land to the bank during that same time period. I said: How strange because I have asked around and such cases are nowhere to be found. Such cases, which occurred at that time, are coming out now.

Therefore, the economic policy that we have been applying in Nicaragua is one in which neither I, nor the revolution, nor the Sandinist National Liberation Front [FSLN], calls for eliminating the private producer. Had this been the objective, all private capital in Nicaragua would have been eliminated long ago. Neither the political situation nor the times have led to this. We did not do it. To the contrary, now there are more private producers in Nicaragua than there were before the revolution, because of the amount of land that the revolution has distributed to individuals, or cooperatives who previously had no land.

However, we are also interested in benefiting the worker, farming communities, the farmworker, the industrial worker, the teacher, the health worker, all workers in general. Any worker who is not directly linked to this type of productive activity, who is involved in other things such as producing health, or education, must be protected. Therefore, we have sought an economic

model that would benefit Nicaragua and now, with the experience gained in these years of revolution, I am convinced that we have already established solid bases. This economic model has set down roots and cannot be destroyed. On the contrary, the tendency is to improve this model and perfect it.

There are two ways of doing this. One is the economic policy of our countries of the so-called Third World, because it is good to learn from the experience of countries like Mexico, a highly developed, industrialized country. We have two options. There is the typically capitalist action, which seeks to save a minority at the expense of the majority, at the expense of the workers, the laborers, the wage earners, and the small-, medium-, or large-scale farmers of the country; in other words, with a few dominating the economy, monopolizing the economy, and exploiting the people. Therefore, this provides no in-depth solution to the economic problem.

When I was at a meeting in Matagalpa, a lady farmworker said to me: Mr President, I would like you to hear about a problem I have on the farm with a companion. He is the head of the labor union, and goes around criticizing us and will not leave us alone.

I told her we would have to see what could be done. But, I said: Look, what you are telling me about is not a real problem. Producers in the Latin American countries would love to have that kind of problem. I pick up a newspaper from the Latin American countries, and see how many strikes, how many work stoppages, how many land invasions take place every day in the Latin American and Caribbean countries.

Go see the social and political turmoil in those countries—strikes, work stoppages, demonstrations, violence, and clampdowns by the police and the armies in the streets. These are everyday occurrences, and the crisis is so severe that everybody seems to have adjusted to the situation. A general strike in any Latin American country is no longer news because general strikes are declared often. The labor and student federations declare strikes, or huge walkouts at any time. And let us not even mention the land takeovers, the assaults against marketplaces or shopping centers.

What do the democratic Latin American governments do? They call in the army; they call in the police to clampdown on the population and so people get killed everyday, day after day. People get arrested and disappear everyday.

We have thought about this and do not want this kind of model for Nicaragua because otherwise we could have kept Somoza. Somoza was a prototype of that model. Somoza represented that model, and with the kind of harsh policies he followed, he helped a few Nicaraguans get rich at the expense of the majority of Nicaraguans. They are the ones who are criticizing everything now and have crossed over to the counterrevolution. There is no room for that kind of model here. There is no room for a model that will benefit a minority at the expense of the workers. The revolution was not carried out for that.

The revolution has been pressured by the producers because, in a rather reckless way, the producers and businessmen have tried to force the revolution to take that course. They do not realize that this would be the course toward social and political upheaval in our country. This would be extremely serious for Nicaragua. It would mean catastrophe and total destabilization. Everything the Yankees and the contras could not do would come crumbling down immediately if we chose an economic model like that. [sentence as heard] We will not follow that model in Nicaragua.

Then there is the model of the socialist countries. We admire and respect those countries, and agree with them regarding the objectives which favor the people, the workers, and the people's sovereignty and independence. However, this model did not seem appropriate to us for Nicaragua's reality either, because it meant eliminating the producers and placing production under state control in Nicaragua in order to try to find a solution for the workers that way.

On the other hand, the Sandinist Front and the revolution were under pressure from the workers. The workers—who had contributed their blood, effort, and sweat for Nicaragua to be free—expected their economic situation to improve in a truly miraculous way immediately after the victory of the revolution. They expected a good deal more. Therefore, some workers reduced their output as if to say: It is time to rest a while, after so much exploitation. One can even understand this drop in the workers' productivity during the early years of the revolution, when the workers' output slumped.

So many years of exploitation so a few could get rich! The revolution triumphed for workers and the people. This means the time has come for workers to rest a little and for the economic and social situation to improve. Consequently, we do not regard either of the two models to be valid. We cannot accept an economic model in which we favor a minority of producers to eliminate the majority of them at the expense of workers, who are also Nicaraguans, and at the expense of social development, education, and health in Nicaragua. We also cannot accept a socialist economic model that eliminates private enterprise and nationalizes all businesses. This is the model applied in some East European countries.

We have been considering ways to make all economic sectors complement each other in a way that producers and workers are not done away with. We have been considering ways to enable Nicaragua to develop and progress in every field without sacrificing either producers or workers. This can be achieved with the efforts of all. That is why we decided to implement the mixed-economy policy. We worked this out prior to the revolution's triumph.

This mixed economy idea was not invented by technicians, but it was the result of political thinking that goes back to

1975, when a special meeting was held in Havana and attended by Carlos Fonseca, Federico Escobar, Eduardo Contreras, Humberto Ortega, and me. The five of us discussed ways to implement a workable revolutionary project in Nicaragua within the Latin American and world framework. This project had to be turned into reality on a short-term basis, starting with the ousting of the Somozist dictatorship. This is where this idea originated.

In Nicaragua, we could not think of other than a capitalist model, but we wanted to end the model represented by Somoza. There was no room in Nicaragua for a model in which the economy was based on state-owned property. The problem was how to make a socialist program work in Nicaragua in which there was a fair distribution of wealth and which could raise the impoverished population's standard of living. How could we do this? Right then and there, we decided on a mixed-economy system. The 1989 economic program includes the experience of all these years. The mixed-economy model has taken root already because it has incorporated farm and industrial workers, who are essential for production.

The mixed economy model includes the participation of the small, medium-, and large-sized producers and the people's ownership sector.

With the mixed economy model we made a big step forward as far as production and organization are concerned. We have attained a high technological development. That development not only reached state-owned enterprises, but also private producers, cooperatives, and medium- and large-size producers who have benefitted from the state-owned enterprises' high technological development. As for the people's ownership sector, workers feel they own the enterprises for which they work. They feel honored that they work in those enterprises and that they participate in discussions regarding the implementation of the enterprises' production programs.

The only feasible economic model that makes people respond in a truly fraternal manner and within which neither producers nor workers reject each other is the mixed economy system. We have been promoting and consolidating that system throughout these years, despite the war, the aggression, and the sabotage conducted by some producers who benefit from the milk of the revolution, but damn the cow of the revolution. When those producers, however, see that the cow is giving milk, they are the first ones who run to get some—and they do not bring a small cup. They bring a bucket that they fill up with the milk of the revolution.

However, they criticize the revolution's policy. Everything our government does is bad. I would like to see those producers living in an IMF-styled system, in other words, in an system whose economy is directed by IMF guidelines. Most Latin American economies are guided by the IMF, and those that are are a true tragedy. I would like to see those producers living in those systems. They would simply disappear from the economic scene. Only a very few of them would survive, and only the strongest would resist. The law of the jungle prevails in the IMF-styled systems. The IMF and its current economic programs for Latin America [words indistinct]. Under a pro-IMF system, the strongest ones survive and the weaker ones disappear.

That kind of system does not include any kind of policy through which the state can help any producer or any social group. The IMF-styled systems act with full violence [words indistinct].

We have contacts with the IMF. IMF officials visit Nicaragua, and they have studied our economic program and described it as a truly extraordinary program. They believe the results of our economic program are extraordinary.

We would be willing to work with the IMF as long as it understands that there is a revolution here in Nicaragua and our country must implement economic programs that are in agreement with the Nicaraguan reality and with the Nicaraguan social and political plans, whose goal is to benefit all Nicaraguans.

The way the IMF works is the following: A government leader goes up to the IMF and the IMF officials say: You are going to implement this program. We will finance the program, but if you stray away from it, we will immediately [words indistinct]. But what has the IMF done in Latin America throughout all these years?

It has further sunk the Latin American economies and created greater social and political instability in Latin America. That is what the IMF has done. This economic program, which has been in effect since 1989, must be viewed as a program that is connected to the revolution's economic project. In other words, it does not break away from the revolution's economic project. It is simply a means to make adjustments to continue to strenghten this economic project, this social project, this social and political project of the revolution. Our goal is to further strengthen the project.

In the past, circumstances prompted us to establish certain subsidies that involved huge (?commissions). We have gradually adopted them since 1985 and took the plunge in 1989, as always, to strengthen our mixed economy.

It is interesting to listen to producers talk about how they have managed to establish good communications with their workers. They are able to win over the workers' trust when they say to them via the mayor: This is the situation with the enterprise or farm and so on, there can be no wage increases. [Words indistinct], the workers understand why wage increases cannot be granted at a given time. They find ways to raise production to make wage increases possible later.

I have also talked to enterprises owned by the people. They exercise self-regulation. They say we will freeze our wages for this or that number of months until we can pay off our debt to the bank or gather funds to buy certain raw materials. In this case, the workers design their own

policy. This is why communications between the enterprise management and the workers is so important. When I talk about enterprise management, I am not only talking about those enterprises owed by the people, but also about small-scale agricultural, and industrial producers; medium-scale agricultural, cattle raising, and industrial producers; and large-scale cattle raising, agricultural, and industry producers.

After all, they are enterprise managers and must establish good communications with workers if they wish to maximize the potential of the enterprise and if they want more [word indistinct] produced there. If this is good for him as a producer, it is also good for the workers and the entire country, because the more wealth that is created, the more resources we will have to meet Nicaragua's demands.

The 1989 economic program closed with an inflation rate of 1,687 percent—almost 1,700 percent [words indistinct]. Given that it stood at 33,600 percent in 1988, it was a very drastic drop to about 1,700 percent. This was possible because our program was flexible not only with the producers with whom we met at the Olof Palme Convention Center, but also with teachers and health workers, because our budget could not be stretched further. We had to adopt certain measures, including the transfer of funds to protect teachers and health workers.

We invented the AFA [rice, beans, and sugar package] and the enemies of the revolution, the people, and the workers made fun of it. Of course, they wanted to take the AFA away from the workers. Before that, they wanted to take away their jobs. That is what they wanted to do.

Here we have had a force reduction. It is true, but it was carried out in an orderly fashion. It was not carried out in an anarchic or brutal way, as happens when there are massive dismissals in countries where IMF policies are implemented.

In our production centers, management and workers held assemblies. In state institutions, the ministers met with the employees to discuss how to reduce personnel and how to find steady jobs for the comrades who were going to be out of jobs, how to find alternatives for those comrades. We also searched for alternatives at the central level for the employees who were going to lose their jobs.

We decided not to work on a program to reduce inflation to zero percent, or one percent, or five percent annually. We do not want to carry out that kind of program. That kind of program would have meant the end for thousands of Nicaraguan families, the end for thousands of Nicaraguan producers. Had we decided on that program, when I met with producers at the Olof Palme Building, I would have told them: There is a ceiling to the credits and this ceiling will not be changed. They could have then said: We want special treatment. My answer would have been: No way. This is a bank policy of general implementation and you have to work with what you have.

Teachers want better conditions. Our response, had that kind of program been implemented, would have been: Figures show that we cannot have so many teachers and we cannot educate this many children because we are going to have a force reduction.

If we were to do this, then why have we struggled for a revolution? We would be doing what Somoza used to do. This is what the governments that are ruled by the IMF do.

It is no longer necessary to be like Somoza to act this way. All that has to be done to implement a policy that wipes out the majority of the people and producers is to place oneself under the control of the IMF.

I have here some data on what a program like that would mean. For example: That program's expenditure reductions would imply reducing current social activity expenditures by 4 billion [no currency specified]. That program implies a reduction of more than 65 percent in the Defense and Interior Ministries' budget expenditures.

I ask, what is going to happen to all those people we are going to leave unemployed? It is easy to say, I am going to eliminate the [Patriotic Military] service, I am going to eliminate the Army. What is going to happen to those unemployed people? Do not the soldiers in the Army and the Interior Ministry have children and families? I have to think about them. I cannot be talking of how their jobs will be eliminated. They are workers; after all, they are workers. When [words indistinct] posts and jobs.

[The IMF-styled program would include] the reduction of more than 55 percent of the education budget, the reduction of more than 55 percent of the social welfare programs, and the reduction of 100 percent of the budget of programs to support the combatants. How could the IMF permit a program to support combatants? It would say: Eliminate [words indistinct].

The budget of the permanent human rights commission would also disappear. The budget of the health program would be reduced 60 percent. A total of 40 percent of the Supreme Electoral Council's budget would be cut. I do not know how we would be holding the elections if 40 percent of its budget was cut and 60 percent of the health budget was cut.

What would this mean in even clearer terms? It would mean that whoever establishes this type of economic program would have to close 103 childcare centers, depriving 22,000 children of attention. Three centers to protect senior citizens would close and all the hundreds of senior citizens who receive attention in them would be left without it. All the social welfare centers in Regions 1, 5, and 6, the northern Atlantic coast, and Special Zone 3 would be closed. This would result in the unemployment of 6,462 people who are involved in those programs, 6,462 people who have children and families. All the material and financial assistance to 149 social welfare centers, which provide services to 8,749 children, senior citizens, and disabled people, would be eliminated. This would leave without attention 1,300 indigents, 4,200

children who have been abandoned, and 16,400 children who are classified as experiencing difficult circumstances and who need psychological help. All the support given to 13,000 war orphans would also be eliminated.

There would be a 20 percent reduction in the labor force of the MINSA [Health Ministry]. This would mean that comrade Health Minister Dora Maria Tellez would have to dismiss 4,600 workers. Of course, we are not doing this. This is what a government subservient to the U.S. policy and subsequently to the IMF would do. This would affect the income of those people who earn their livelihood in this sector. There would be no jobs for 1,300 employees who have trained in various specialized schools and are ready to work in the health sector. Those people would be left with just their schooling. There would be the elimination of benefits that deal with the supply of uniforms, eye glasses, transportation, and food subsidies. This would mean the cancellation of the MINSA-FETSALUD [Federation of Health Workers] agreement. This would affect 25,873 health workers.

This is what would be done by those who are saying they have a miraculous formula. That is the way they would achieve the miracle of reducing inflation to 0. They would do it by closing all the schools to train nurses' aides and nurses, affecting 1,800 graduates a year. They would cancel the powdered milk subsidy for the children of those insured under the integral health system. This would affect 45,000 children who receive that benefit.

This is what would be done by those who claim they have in their hands the economic miracle and who have been criticizing the economic program that was implemented in 1989—those who have been criticizing the economic program of the revolution since the revolution triumphed. They say they have a formula, but the formula is to lead the country to a 0, 2, 5 or 10 percent annual inflation rate at the expense of cancelling the subsidies for medicine for children, pregnant women, and demobilized combatants who have disability cards. They would cut 50 percent of hospital services by closing the Lenin Fonseca, Manolo Morales, Berta Calderon, and Oscar Danilo Rosales hospitals.

In other words, they would close hospitals and, thus, deny specialized medical attention to 1,400,000 patients, and hospitalization to 125,000 patients. It would not be possible to attend to the average 40,000 births annually, or to carry out the 30,000 surgical procedures that are normally carried out at those hospitals.

Those who criticized the revolution's economic policies since its triumph have continued to do so, saying that they have magical solutions in their hands; however, they would eliminate half of the health system, affecting over 1,800,000 people who seek attention at the health centers. They would cut the preventive medicine program by 20 percent by closing 60 health centers and thus deny attention to 800,000 people and, therefore, cancel 1,400,000 consultations. They would also eliminate the dental program. These people would immediately suspend the construction of new hospitals in Granada, Chinandega, Puerto Cabezas, La Trinidad, Esteli, and Jinotega. If they would close health centers, why would they allow the construction of new health stations or centers?

These people would [words indistinct] raise the inflation index by 2 or 5 percent, thereby eliminating (?program A) which favors 160,000 homes and housewives. They would eliminate the Glass of Milk program that benefits over 400,000 children. They would also reduce the number of scholarships granted from (?22,500) to 8,000. They would reduce the education system's central, regional, and municipal apparatus by 60 percent, which would be equivalent to eliminating the pre-university, teaching, training, adult education, and higher education programs, and would leave over 20,000 workers jobless in that sector alone, including teachers and professors. They would not distribute the school equipment that is currently distributed; they would eliminate it, because for them [words indistinct] economic policy.

Also affected would be the [words indistinct]. Producers would no longer be able to ask the government to restructure or waive their debts, they would not be able to ask the government to raise their debt ceiling a little, because the ceiling would be established and no one would be able to move it. Whoever could reach it would do so and whomever could not, could either do nothing or look for ways to solve the problem themselves. These policies affect small, medium-sized, and large producer [words indistinct] the strongest.

However, [words indistinct] the implementation of an economic program by those who have criticized the revolution's economic programs since the revolution's victory, who say that the revolution's programs have never been good; they have criticized all the efforts we have made in the economic and social field, and they have done so in a destructive manner. Everything is wrong with our programs, they find nothing right. [words indistinct] They know what they would do but, of course, that is in their heads and will remain inside their heads because of the results we have had in Nicaragua with the 1989 program, which drastically reduced inflation by 20 times. We also slightly increased exports to $298 million, almost $300 million.

What did the Yankee agents forecast? The Yankees forecast economic uncertainty and economic instability through their pawns in Nicaragua. They have been using them since the revolution's victory. We exported $298 million—when they had forecast that we would not export even (?$150) million. Inflation, they said, would surpass that of 1988. The international organizations are there to attest to the result of the 1989 program.

And for 1990, for this year....[changes thought] Since 1989 I have been holding discussions with the comrades of the National Planning Council about the 1990 program. Generally speaking, that 1990 program has already been approved, because the 1990 program is a

continuation of the 1989 economic program. In other words, the 1989 has worked well, thus we must continue with it. We must consolidate it and introduce the necessary changes to continue struggling against inflation. We want inflation to be considerably lower this year. We want the 1990 export figures to rise.

Taking into account the drop in coffee prices, we would be receiving $329 million in exports for 1990. In other words, there will be (?more) exports in 1990.

I got here late today because I was meeting with the comrades of the National Planning Council. We were discussing all of these issues further. I did not want to come here to present a report and make a fool of myself. I did not want to come here and read a report that somebody else wrote for me without even knowing what I am reading. I do not think a president should do something like that. In addition, I think a president must understand what is being done in all fields of his government, and especially in the economic field, which is so important.

I am responsible for this economic program. And if we want to give this program a name let us call it Daniel Ortega's Economic Program, but let us not call it the Taylor [not further indentified] program. I spoke with our friend Taylor, as I have spoken with experts from [word indistinct]. I have spoken with IMF experts who have visited Nicaragua and with economic experts who [words indistinct]. We are very interested in talking with them because we want to exchange views in order to enhance our program; we want our program to work well. We cannot imitate other countries' experiences because Nicaragua has its own reality and we have already talked it.

What Taylor did was to become familiar with this program, which had already been outlined. He became familiar with the program; he gave his opinion about the program and he did not fully agree with it. He had doubts about some aspects of the program. [Words indistinct] well, he had his doubts. Why? Because he was acting as an economic expert and not as a politician. And the Nicaraguan economy operates within a very special political environment because it has experienced a revolution, and, therefore, the workers—the social force in this country—trust the revolution. That idea is not easily understood by an expert.

Experts assess economic programs based on their experiences in countries that have not experienced revolution and especially in Third World countries including Asia, Africa, and Latin America. It is risky for those experts to venture in giving figures or data. We asked Taylor: What do you think about this? He answered: I do not have this figure [words indistinct]. He did not commit himself to [words indistinct]. He had some fears regarding other aspects. In general, Taylor and the experts with him agreed with the program. We met with Taylor and the experts on several occasions at the National Planning Council. We wanted to hear their opinion. We wanted to know what they thought about our economic program. [Words indistinct] We have also talked with other experts who have been working closely with us.

Thus, this 1990 economic program intends to reduce inflation further. I am convinced that in 1990 we will further reduce inflation here in Nicaragua. I am sure of that. If we succeeded in reducing [words indistinct] amid worst circumstances such as those in previous years, will we do so even more now in 1990—which looks like a year that will bringing better [word indistinct].

Our goal for exports is $329 million. In other words, we hope to increase our exports from $298 million in 1989 to $329 million in 1990. Why? Because there has been a drop in the price of coffee. As a result of the new price, we did not receive [words indistinct], all these years we did not receive $36 million. If we add the value of all the coffee production, including the coffee that stays in Nicaragua for local consumption, we could say we have lost approximately $50 million. However, if we only consider coffee exports, we can say that as a result of the drop in the price of coffee—based on an average of $78 per quintal—we have lost $36 million, perhaps (?more) because although there is slight hope that quotas will be established [words indistinct]. However, to have more realistic figures, we have worked based on the current prices. Therefore, based on an average price of $78, we lost $36 million.

There is another factor that shows that the revolution's economic policy was correct. Despite the Yankee embargo and the costs of war, we did not give up our efforts to lift the Nicaraguan economy amid war, even in war zones. We continued our efforts to build a diversified economy and not an economy dependent only on a product that appeared on the international market as a safe product with a good price. We decided that we could not follow that line, and that we should have a diversified econony.

I recall that immediately after the revolution's triumph, Commander Wheelock spoke to me about a project with the support of our Cuban comrades that consisted of building a sugar mill. I fully endorsed the project. We immediately began the project, and, as soon as we began, the criticism began. What was the reasoning behind the criticism? That it was crazy to invest in a sugar mill, in sugar production, instead of building large dams; that clearing so many hectares of land, bringing in machinery and equipment, and constructing buildings at a time when Latin American and Caribbean sugar producing countries—with the exception of Cuba—were closing sugar mills was not wise.

Those countries were closing sugar mills because the law of the jungle prevailed and the smallest sugar mills had to close while the largest ones remained. In the Dominican Republic, for example, many sugar mills had to close, and only the strongest survived. Producers whose sugar mills were not strong or rich disappeared during that crisis. Why? Because the price of sugar on the

international market had dropped, just as the price of coffee has now dropped on the international market.

Quite a few sugar mills had to close then, which prompted criticism here. They said that the sugar mill project was crazy, that it was a waste of money, although it was built with enormous support from Cuba, which provided machinery, equipment, and a large investment. We received a donation from Cuba when Fidel visited us. He forgave the debt we acquired with the sugar mill. It was a Cuban donation. Of course, we invested in it, too.

There was great criticism by those who believed that sugar had no future. Those wise men said that sugar would never again be profitable. That is what they said, that sugar prices would never go up again.

Anyway, we built the sugar mill. Something similar happened with cotton production in Nicaragua. It had been said it had to be stopped because it was no longer profitable. Nevertheless, we were determined to keep producing cotton. We have even tripled cotton production. Year after year, we have been including other items in production, giving new impetus to the production of sesame seeds and developing that of peanuts. The two are nontraditional products.

Before coming here, the comrades in charge of making the classification and I did our accounts. We have to do our accounts correctly at all times because we could receive reports from each sector, but if this information is not matched properly, contradicting conclusions could be reached. Consequently, I met with all of my companeros and, after preparing the figures, here they are. If coffee prices do not improve, that is, if a consensus is not reached and we continue as we are now, without a quota, the price will remain low. At an estimated $68 a quintal, we would lose $36 million in foreign currency. In addition, I can tell you that in the year 1990 we will export more than in 1989. How is that, you may ask. The coffee price in 1989 was very good. It is the coffee we are harvesting now that has a low price. How is that, considering that coffee is one of our leading export products? Because we were not impressed by the destructive criticism against the Victoria de Julio sugar mill. We must keep producing sugar, now that the sugar price is going up.

Something similar has happened with cotton production. We even have plans to increase our cotton production this year. In addition, the price of cotton has also increased. Because we have diversified production and we have stimulated producers, cooperatives, and enterprises established in the people's ownership sector, we have made the following estimate for 1990. We will receive $6 million more from cotton, $14 million more from sesame seed, $20 million more from sugar, and $2 million more from beef. A large jump ahead occurred in meat production in 1989. This is one of the categories that influenced the 1989 growth. This is why we have estimated we will receive $2 million more from beef in 1990. We will receive $3 million from bananas, $2 million from gold, $4 million from seafood, and $21 million from nontraditional products. This all adds up to $72 million more, (?provided) we increase our production.

From this figure, however, we must subtract $36 million from coffee. This leaves us a net increase of $36 million, or 11 percent. This is because of our diversified economic policy and because we did not abandon sugar production, which will now yield $20 million more. What would have happened if we had permitted ourselves to be carried away by the tremendous, constant pressure by those who opposed the production of sugar? At this time, those who have said they have an economic miracle on their hands are raging against the existence of sugar mills. They have also disregarded the effort. The San Antonio sugar mill, where we did a truly great effort, was also reactivated. Other sugar mills have also been reactivated. Money has been invested in them. We have been told: You must be crazy to reactivate a sugar mill at the time when the sugar price is plummeting. We did it, however, because we had a strategic concept of the economy. Our vision was not on based on a short-term concept, but on a strategy. The producers responded. Speaking of sugar production is speaking of hundreds of small and medium-scale farmers who cultivate sugar cane and then take it to the sugar mill. Closing down a sugar mill would not only cause the layoffs of sugar mill workers, but also those in the sugar cane fields. If the mill is closed, all of this sugar cane will remain unused forever. What will we do with all this sugar cane? That would be a lot of sugar cane.

I am able to say before this National Assembly and before the people of Nicaragua that the 1989 economic program....[changes thought] In fact, we reduced it in the social fields as well. There was no uncontrolled confusion on that occasion, no uncontrolled confusion took place in the health system; on the contrary, we continued to build health centers. I have visited places where health centers continue to be built. We continue to repair schools, we continue to build institutes. I recently inaugurated an institute. The program has therefore proven to be well-directed. This is a program that has received the workers' support—support with awareness, with an attitude of sacrifice by all workers, by peasants, by city workers, by government workers, by those budgeted workers that they [the opposition] want to fire. Those workers they say have in their hands the economic miracle—teachers, health workers, and workers from various institutions. This includes the defense worker—who really has a very low salary, a very low salary that cannot even be called a medium-level wage. It is a wage that is between bad and medium-low. Of course, with the AFA, at least he receives some protection. Those are just some of the programs that protect these workers.

We have managed to keep up the programs that cover education, health, the INSSBI [Nicaraguan Social Security and Welfare Institute] programs that have kept up an entire host of social activities and at the same time have

drastically lowered inflation. What do we have to do then in 1990? In 1990, we have to continue this same program, making the necessary adjustments, and in this way reach the end of 1990 with a much lower inflation rate than what we had in 1989. I am convinced that in this way normal inflation levels in Nicaragua will be reached—that is 2, 3, or 4 percent per year. It means applying programs in a reasonable, gradual, and sustained—but firm—way.

It is true that it is foolish to think one can change an economic attitude overnight, no matter how much goodwill. It is tough. We have in our hands the force that we derive from our confidence in the workers, the force we derive from the producers, because most producers have remained firm and have kept on working patriotically. In January, we started with normal devaluation rates. So what went wrong? Last year, when we began applying this program, we had a devaluation schedule, but at a certain moment, for political reasons—here I have to be self-critical and I admit the mistake, we committed the mistake, but I must take the blame—we allowed this schedule to slip. Instead of making small but frequent changes, we did not devaluate for several weeks and it began to accumulate and when we had to devaluate—you will remember this was in June and all the trouble it caused—we had to make a big jump. At that moment the exporters were desperate, but they received a solution. Here lies the contradiction: There are people who speak against the revolution and against the government's economic measures. Perhaps we need to have two types of economic programs—one for those who agree with the economic measures put forward by the government which would be flexible when awarding loans.

The bank would restructure their debt when they prove to the bank that they have suffered loses because of poor weather or plagues and that they did the planting. Those producers would have access to certain subsidized products.

The policy for those who do not want our economic measures would be: They have to make payments to the bank regardless of the problems. If they cannot pay, they would lose their land or what they may have mortgaged. There would be no restructuring of the debt or erasing of the debt. We would implement a strong bank policy.

Some people do not like devaluations. They bitterly criticize devaluations. We would pay producers who support the economic measures the prices that they establish based on devaluations. Those who do not agree would be paid the old prices. This means that they will receive less money. The main objective of the devaluations is to protect exporters.

Last year we fell behind and in July we had to make a big jump. After that we told ourselves: We are going to make devaluations in a sustained and continuous fashion. It does not matter if we make devaluations three or four times a month as long as they are small devaluations. We decided not to make big devaluations every 6 months because big jumps produce much destabilization.

Here everyone has learned about the economy. Everyone knows how the economy behaves, how prices have to be set, and everything else. Some abuses are still being committed; some people are speculating on the price of pineapples. With vegetable oil, for example, there is a problem, there is a scandal. The problem is the company Gracsa. We have to see how this Gracsa matter is doing. Gracsa is not owned by the state. Gracsa is a private firm. The vegetable oil shortage cannot be blamed on the state, or on Commander Jaime Wheelock, or on Commander Carrion.

I want to ask the National Enterprise for Staple Foods [ENABAS] what is happening. We have to check production costs to see if the production costs listed are real. Production costs can be inflated. Here enterprises can become rich by inflating production and marketing costs. Let us really see about production and marketing costs so that products are presented to consumers at a suitable and just price, not at speculative prices.

We are still suffering at the hands of some speculators, and these speculators are the first to criticize government policies that benefit consumers.

The 1990 program is a continuation of the existing program. The January devaluations are in the framework of this program. Yesterday we announced a devaluation. The inflation index during this month of January is way below what we had anticipated. We had anticipated a 20 percent inflation rate in January because in January most of the people usually run out of money, but this time it has not been this way. The inflation rate at this moment is approximately 6 percent or 6.5 percent, and today is 22 January already. The month will be over in a few days.

For this reason, we believe that the inflation index for the month could be 10 or 12 percent, tops, probably a bit lower. Since the inflation index is below what we had anticipated, we decided to implement a 5 percent devaluation yesterday without altering fuel, cooking gas, and kerosene prices. Let everyone know this because there are always rascals who like to take advantage of these measures and cheat the people.

That there has been a devaluation is no reason for telling the people that now cooking gas, kerosene, and fuel cost more. Since the prices on these items have not been increased, transportation costs do not go up either. Because fuel prices do not go up and transportation prices remain stable, there is no reason why the prices on many other products should have to go up. Usually prices on products go up because fuel and transport prices go up and this pushes up marketing prices. Producers have to use transportation services to deliver their product. When they are preparing to produce, producers have to get material and again they have to use

transportation services. All this pushes production and marketing costs up. This results in the prices of all products going up.

There is no reason for prices to go up when we are not increasing fuel prices and, therefore, transportation prices do not go up. We have implemented the devaluation because we cannot fall behind.

This is a sign to producers that we are interested in exports, a very clear sign to the export sector.

With this, I have finished giving you the economic sector information I wanted to give you today. I will be making available to you a document that contains more data and figures, a document too bulky to read here.

Whoever is interested in more data and figures, will find them in this document.

[Hereupon follows PA2301011990, published in the 23 January 1990 Latin America DAILY REPORT on pages 32-34]

Vice President Ramirez Campaign Speech in Managua

PA2401035490 Managua Radio Sandino in Spanish 1930 GMT 23 Jan 90

[Speech by Vice President Dr Sergio Ramirez Mercado in Managua on 22 January—recorded]

[Text] [applause] Daniel made the commitment before the Central American presidents at the meeting in El Salvador early last year, to move ahead with the Nicaraguan elections. The Yankees are saying that votes can be bought here, that there is no democracy in Nicaragua because we do not hold elections. They do not want to recognize that in 1984 we held free elections. They say that there is an unpopular dictatorship here, that the people support the contras, that the people do not support the Sandinist National Liberation Front [FSLN]. Daniel, therefore, asked the Central American presidents what the problem is; we will move the elections ahead from November to February. Let us see now, let us count the votes, and let us see who the people support and see if the Yankees leave us in peace. That is why we moved the elections ahead, so as to seek a quicker possibility for peace in Nicaragua. Not only are we holding orderly, clean, and free elections—unprecedented in the history of Latin America—but elections that are being observed by all who want to come to Nicaragua to watch. The United Nations, the OAS, and U.S. President Carter are coming. Today I was reviewing the list of all the observers that are coming—the list the foreign ministry has—there are dozens of organizations from Europe and Latin America, from the Nonaligned Movement, the United Nations, the OAS, and U.S. organizations. We are opening the country's doors to them. They are going to be at the electoral polling stations where Nicaraguans will vote. They are going to be where the votes are counted. We are not ashamed of this. We would be ashamed if we had elections overseen by the Yankees. We would feel ashamed if the Nicaraguan president had to be sworn-in at a foreign military base. No, here we invite anyone who wants to come and watch the elections. [applause]

What are we trying to do? It is very clear and simple: All who come here—the OAS, Carter—can tell Mr Bush, look Mr Bush, Nicaraguans voted. The elections were clean and orderly. The votes were meticulously counted and the Sandinists swept the elections. You no longer have any reason to continue attacking Nicaragua. [applause] This is the main thing, the most important thing—yes, more important than being pitted against these ladies and gentlemen from UNO [National Opposition Union]. If it was just to measure up against them, we already know that we have most of the people. However, these elections are being held for the benefit of peace, which means it is for the benefit of all Nicaraguan families, for their security, tranquility, and for their children's welfare and future security. That is why the 25 February elections are important—to end aggression once and for all; to stop once and for all the specter of death, blood, and grief for Nicaraguan mothers; so that we can have our children safely attend schools, universities, and go to work to build a new Nicaragua. That is the Nicaragua the FSLN wants. The FSLN has never been a group of warmongerers; we have never wanted war. The times Sandinists have taken up arms have been out of need to defeat the dicatorship and fight the counterrevolution. We have never gone abroad to attack anyone. [applause]

These ladies and gentlemen never mention the war's origin. They speak of the country's economic problems, which of course exist. The FSLN has never tried to hide them, the FSLN looks at ways to discuss them publicly to find solutions. They hide that these economic problems are due to the war that they themselves started. Some have forgotten, or is it they do not want to remember, or is it not in their interest to remember. When the revolution started and we began to work with the revolutionary government, what we were doing was building a new country—literacy classes, opening new schools, building hospitals and new clinics, creating new jobs, getting the economy to grow—and the Nicaraguan economy grew 20 percent in 1980. This has been unprecedented in Latin America. We worked fulltime because there was no war to fight. Then the war got started because this was a small but independent country that wanted to be sovereign. Certain U.S. sectors did not like what we were doing; then came the war. What happened in 1982? They bombed the port of Corinto, destroyed the fuel tanks. We had to evacuate all the population from Corinto. We must remember this.

After that, they mined our ports—San Juan del Sur, Corinto, Puerto Cabezas, Bluefields—all the Atlantic and Pacific ports. They did not want us to receive corn, medicine, and fuel—they wanted to choke and drown the country, and began blocking loans to Nicaragua all over the world through international banks. They began bombing our bridges, destroying our roads and silos,

setting harvests of basic grains on fire, and murdering cooperative workers. We then began paying a very high price for that war. The country began steering the little it had to the war fronts so that the young men who were fighting could have boots, uniforms, caps, food, and medicine. You must remember that after 1984 and 1985, all we had was a war situation with our economy. We never called it a war economy, but you will recall the food rationing cards we had, to allow perhaps four or five products, when these were available. That was the consequence of war, not because the FSLN had as an economic scheme to ration food and other products. These gentlemen that led the war from Miami, comfortably from their mansions and big hotels, returned to Nicaragua once we defeated the contras militarily, because the Yankees said to them: We failed in the war, go see what you can do in the elections. They returned here with the same salaries and began blaming us for the consequences of the war.

Deputy Minister Tinoco on Contras, Elections

PA2301220590 Managua Radio Sandino in Spanish 1934 GMT 23 Jan 90

[Interview with Deputy Foreign Minister Victor Hugo Tinoco by unidentified reporter—date and place not given]

[Text] Nicaraguan Deputy Foreign Minister Victor Hugo Tinoco says that following the elections on 25 February there will be a massive counterrevolutionary demobilization because the United States will no longer be able to approve funds for them, and the peace process will be consolidated. In reality, Tinoco added, conditions are excellent for the counterrevolutionaries to return to the country and go about their business like normal citizens.

Tinoco added that the Sandinist government has adopted a flexible policy to advance the peace process which the Nicaraguan people so dearly desire.

[Begin recording] [Reporter] What is required for the government's counterpart to fulfill the mutual agreement you reached?

[Tinoco] What counterpart?

[Reporter] In this case, the contras, the political parties, and UNO [National Opposition Union].

[Tinoco] The only requirement is that the United States change its policy and stop its efforts to keep the contras alive until after the elections. A good many contras have not returned to Nicaragua; many of them are in Honduras because there is a bipartisan agreement to the effect that the contras will not be demobilized until after February, even though the five Central American presidents had stated in the Tela agreement that the contras must be demobilized by 5 December 1989. However, because the United States continues providing them with aid, food, boots, uniforms, logistical aid, and indirect military aid, the contras have not returned. Some of them have returned, but not all.

Once the elections are over, however, and the Sandinists' victory is clear, the U.S. Congress will no longer be able to maintain its contra aid. The only money it will be able to approve will be for the contras' repatriation, and there will be a hasty process to dismantle and demobilize the contras. Unfortunately, however, this will take place after February because the United States has continued blocking our efforts. This is not a problem of internal conditions in Nicaragua, nor is it a problem of democratic conditions, because democracy has practically reached its maximum expression in Nicaragua, not only in the formal, parliamentary, representative sense, but in the social sense of the distribution of wealth. In this aspect, Nicaragua is one of the most democratic societies in this hemisphere. Therefore, as I told you, the problem is not one of internal conditions that hinder the contras' demobilization and return. The problem is that the gringo policy prevents most of the contras from returning.

[Reporter] Nevertheless, the contras say that conditions are not right for their return to the country.

[Tinoco] They repeat what the United States says. It is simply an echo. It is obvious that they will say conditions are not right. What conditions are lacking? The CIAV [Inter-American Verification Committee], with which the former contra Johnson arrived, is here. He came with the CIAV, with all the guarantees the government offers; there is a letter signed by the president that was sent to the contras stating all of their rights, etc. Therefore, the internal conditions are right. When they deny this they are simply echoing the United States.

[Reporter] Do you not believe the government has fallen into a policy of concessions, and that at a certain point in time this may prove to be a sign of weakness?

[Tinoco] I believe the government's policy has been flexible, and that the concessions made have been proper political concessions because they are aimed at advancing peace. Time is proving that these concessions have served to consolidate and advance peace, and that total peace can be a reality in Nicaragua in the short term. You can compare the situation to those in other countries. There are countries in Central America which have not been as flexible as Nicaragua, and their levels of military confrontation and war are much more profound than the levels of confrontation in Nicaragua. I am convinced that some of our political concessions have been fundamental to the advancement of the peace process, and have brought us closer to definitive peace. Those concessions have not denied the revolution's nature.

[Reporter] With a new government and public administration in place, will Nicaragua's foreign policy still be effective?

[Tinoco] I believe that after February a Sandinist government will continue and complete the effort to consolidate peace. As you know, the confrontations in Nicaragua in 1984 and 1985 were not the same as today's, despite increased contra activity. We have eliminated many of the aspects that kept the war going, such as the massive open, military, and legal financing the contras were receiving. This financing has been gradually decreased, and it must now be covert. We have weakened the war by dismantling all of the pillars that sustained it. As a strategic, long-term option, the war still exists, the attacks continue, but I believe that following the elections, the war's end will be hastened.

[Reporter] Victor, there is talk of a cooling of relations between Nicaragua, Moscow, and Cuba. What do you say to this? Is it true or false?

[Tinoco] That is pure speculation. I can guarantee—by deed, not by word—that cooperation from Cuba and the socialist countries continues exactly the same. [end recording]

* Humberto Ortega on Prospects for Peace

90EM0071A Managua BARRICADA in Spanish 20, 21 Dec 89

[Interview with Defense Minister Humberto Ortega by Carlos F. Chamorro B.; date and place not given; first six paragraphs are introduction]

[20 Dec, p 3]

[Text] The sixth meeting of Central American presidents, a special session held in San Jose, Costa Rica on 11 and 12 December, has been "the most complex and difficult of all," in the opinion of General Humberto Ortega.

Nevertheless, the defense minister does not hesitate to call its results a fundamental achievement for Nicaragua, which he attributes to the negotiating skills, ability, and flexibility of President Daniel Ortega. "We succeeded in salvaging the peace process," says Humberto emphatically, adding that the decision of the five presidents to back the transfer of funds approved for the contras by the U.S. Congress so that they can be administered by the CIAV [International Support and Verification Commission] and used in the demobilization, is equal in importance, in a new dimension, to the achievement attained in Sapoa when the contras agreed not to receive military aid and to accept only "humanitarian aid."

The agreement of San Isidro de Coronado, according to Ortega, qualitatively strengthens the Tela pact by ratifying its principles and strengthening its execution instruments (the CIAV and ONUCA—United Nations Observer Group in Central America).

With regard to El Salvador, he indicates that the principal accomplishment is the commitment to carry out political negotiations between the Farabundo Marti National Liberation Front [FMLN] and the Salvadoran Government with the mediation of the secretary general of the United Nations.

Referring to the controversial aspects of the agreement, Gen Ortega recalls that the principle underlying all negotiations is "to give up something to get something, without losing strategically." He insists that substantial achievements were made, "although they may not appear to be what we would most desire."

BARRICADA talked for nearly 2 hours with Gen Ortega about this matter, which is so critical to the future of peace in Nicaragua. Here are excerpts from the interview:

Dark Clouds at the Summit

[BARRICADA] This summit took place amid a climate of extraordinary tension: The contras did not demobilize on 5 December, the FMLN launched a major offensive in El Salvador, the Cristiani government suspended relations with Managua....What were the circumstances when the Nicaraguan Government arrived in San Jose, and what objectives was it pursuing?

[Ortega] We must recall the special nature of the summit. The technical meetings in New York and Washington between delegates of the contras and the government, in the presence of the CIAV, the Honduran Government, and Cardinal Obando, to discuss the technical aspects of the demobilization were sabotaged by the contras, with the consent of the U.S. Government. The Tela Accord was in a critical state, and Nicaragua pressed for a presidential summit to deal with this situation.

At the same time, the FMLN launched a widespread offensive in El Salvador, and the Cristiani government declared the suspension of relations with Nicaragua.

These are the two facts that lent such a special character to the summit. If the contras had succeeded in burying the Tela Accord, the drums of war would be prevailing at this very moment.

Warmongers Tried to Isolate Nicaragua

The warmongering sectors of the United States and the contras did not want a meeting to take place. Seeing that they could not prevent it, they gambled that it would result in the other nations' condemning and isolating Nicaragua. They tried to put Nicaragua in the hot seat, accusing us of leading the revolutionary war in El Salvador. In addition, they blamed the failure of the peace process on the decision not to extend the cease-fire agreed upon by the government, so that they could once again demand negotiations with the counterrevolutionaries and ultimately challenge the legitimacy of the electoral process. In the end, they hoped to blame us for the failure of the entire peace process, from the signing of the Esquipulas pact in August 1987.

We felt it was imperative to salvage and preserve the peace process. In addition, we are obliged to respond to

the confidence shared by all sectors of the nation that the only guarantee of total peace is tied to Daniel's efforts and the electoral triumph of Sandinism, which will enable us to improve the economic situation.

[BARRICADA] What concrete results were achieved from the standpoint of Nicaragua's national interests?

[Ortega] The most important thing is that the Tela Accord was ratified and expanded, winning the backing of the region's leaders. Before going into more detail, I would like to mention the following aspects:

First, the nonextension of the the cease-fire was completely settled, and it was demonstrated that the government's decision was fair and correct.

Second, the document makes no mention of any dialogue with the counterrevolutionaries, which indicates an understanding on the part of the presidents that the contras should adhere to the now strengthened mechanisms of demobilization.

Contras' Actions in Electoral Process Condemned

These two points contradict the claims that the U.S. Government has made so far to excuse itself from carrying out the demobilization, now with the backing of the five presidents.

In the third place, Nicaragua has made no commitment with respect to its internal affairs, and in any case the behavior of the counterrevolutionaries, upsetting the electoral process with their criminal actions, is directly condemned.

Furthermore, the functions of ONUCA were expanded so that it can participate in the demobilization of the contras, and the instrument of the International Court in The Hague regarding our suit against Honduras has been preserved. A period of 12 months has been given to comply with the lawsuit.

Repatriation Until 5 February

[BARRICADA] What is the substantive issue with respect to the demobilization of the contras?

[Ortega] In the first place, we must distinguish among demobilization, voluntary repatriation, and relocation. The first term, which is tantamount to the dismantling of the contras' bases and the cessation of all foreign aid, is an obligatory mandate by the five presidents. The San Isidro Coronado pact ratifies this, and calls for execution to begin the moment the document is signed. It does not set a deadline, because the deadline was yesterday. In other words, every day that goes by without the contras being disarmed, Honduras and the United States are violating the agreement signed by the five presidents; every day the U.S. Government fails to transfer the so-called "humanitarian aid" for the contras to the CIAV, it is violating the presidential agreement. In this regard, the contras have no recourse but to demobilize in an orderly manner through the established mechanisms.

Repatriation, on the other hand, is indeed voluntary. Once the contras have disarmed and turned over their weapons to the CIAV and ONUCA, turning Honduras into a refugee center, it is up to each individual to decide of his own free will whether he wants to be repatriated to Nicaragua. That is what the 5 February deadline is for.

[BARRICADA] Does that mean that after that date, the contras can no longer be repatriated to Nicaragua?

[Ortega] From that day on, that will no longer be a problem for us. If Honduras wants to keep the contras after that date and give them Honduran citizenship or offer them refugee status, that's up to them. Relocation, that is, where the contras want to live, whether in Guatemala or some other country, that depends on the governments that want to accept them.

Now, the heart of the agreement is the presidents' support for the transfer of the funds approved by Congress so that they can be administered by the CIAV, for the purpose of promoting the demobilization plan.

I was telling Daniel that in my opinion, this aspect is equal in importance to the achievement we made in Sapoa, when the contras agreed to receive only humanitarian aid from Congress, not military aid. This step by the five presidents goes further than what we accomplished in Sapoa, because "humanitarian aid" has been a constant sore point between Nicaragua and the United States.

We have argued that the "humanitarian" aid has been used as war materiel to help the contras commit murders and carry out offensive actions. And now the presidents are demanding that these funds be allocated exclusively for the demobilization of the contras.

When Daniel left Managua, we were thinking it would be a herculean task to get an agreement. I think we have exceeded all expectations in this.

[BARRICADA] But the contras did not demobilize by the Tela deadline. Who is to guarantee that these agreements will be honored by the United States and the contras?

[Ortega] The execution of the agreements should not be seen as something mechanical. Nicaragua has supported its peaceful position with a reasonable position. We have progressed in the "concoction" of the political moment to ensure that conditions ripen. And secondly, we have also progressed in the strengthening of the legal instruments for executing the agreements.

The demobilization of the contras will be determined by the extent to which the United States complies with the presidents' pact, transferring the "humanitarian aid" to the CIAV. This would make it possible for Honduras to change from a platform for aggression to a refuge for the contras.

At this point, the contras must make a tremendous effort in their intermediate structures to retain the rank and

file through deceit and repression. A de facto demobilization has been taking place through laying down arms and desertion, not to mention what has happened in Costa Rican territory.

Respectful Ties with U.S.?

[BARRICADA] That possible involvement of the U.S. Government in the demobilization of the contras, through the transfer of funds to the CIAV—could it be interpreted as a step toward changing relations between the United States and Nicaragua?

[Ortega] Undeniably, if the United States contributes to the agreements of San Isidro Coronado, I think a more solid foundation could be laid to determine what issues are the most important and the most controversial for the two sides. In this way, Nicaragua would be in a better mental, political, and moral position to listen to the United States' concerns about the region. We could make a more serious effort to seek solutions to the problems we have had.

Obviously, this would be full of public rhetoric by certain mid-level officials, although in one way or another progress has already been made on several fronts.

I think that if the United States acts consistently, our people will be able to appreciate how we Sandinists are able to establish a solid, respectful relationship with the United States that is beneficial to the people of Nicaragua.

Only the Front Can Have Respectful Relations with the United States

Since before the triumph of the Revolution, Nicaragua has aspired to have respectful, reasonable relations with the United States. They are a reality in this part of the world, and what we are concerned about is not being the victims of aggression, so that the past will not be repeated. If possible, we would like to have excellent relations, although that would certainly be very difficult in the short term, but at least an appropriate relationship of mutual benefit in the diplomatic and commercial areas.

The only force capable of achieving such relations between that great power and Nicaragua is the Sandinist government. No other force is capable of achieving true stability with the United States, because the forces of the past, which were not revolutionary, only managed to achieve a relationship of dependence and humiliation. That is not what we want. We want a frank, reasonable, serious relationship within the framework of the changes going on in today's world. And it will benefit the United States to have this kind of relationship with the Sandinist government as well. (Tomorrow: Negotiations on El Salvador)

[21 Dec, p 9]

[Interview with Defense Minister Humberto Ortega by Carlos F. Chamorro B.; date, place not given; first five paragraphs are introduction]

[Text] The political accord of San Isidro Coronado contains in Point 3 what General Humberto Ortega calls "the substantive issue" on El Salvador that was achieved at the presidential summit.

The text states: "The five presidents decided to request respectfully that the secretary general of the United Nations, making the greatest possible personal effort, undertake the necessary actions to resume the dialogue between the Government of El Salvador and the FMLN [Farabundo Marti National Liberation Front], and thus contribute to its successful development."

But the presidential pact also contains other points that were demanded by President Cristiani. The defense minister argues that to salvage the general peace plan and specifically the Tela Accord, it was necessary to appeal to elements of flexibility to satisfy some of the demands of the opposing parties in the negotiations.

Going into detail on the accord, Humberto emphasizes that the intervention of the United Nations raises the level of the negotiations between the Salvadoran Government and the FMLN. "The presidents confirmed that the FMLN is a reality without which stability cannot be achieved in El Salvador," he states.

In the second part of this interview, Ortega also talks about the Nicaraguan Government's state obligations and its principled policy, declares that the San Jose Agreement does not establish any symmetry between the FMLN and the contras, and reiterates Nicaragua's solidarity with the Salvadoran cause.

Governments Are Realities

[BARRICADA] In the communique, the Nicaraguan Government and the other three express support for the Cristiani government. Does this mean a political endorsement of a regime that was called genocidal just a few days earlier?

[Ortega] We have relations with the Cristiani government; in fact, progress was made toward diminishing diplomatic tensions. What the communique expresses is our recognition of the existence of a government that is present in El Salvador; although some may like it or dislike it, the fact is that that is the government of El Salvador.

It's like the problem Nicaragua has with the United States: We continue to blame that country for what is happening in Nicaragua, but we have not gone to the extreme of breaking off diplomatic ties, because that doesn't solve problems.

We Have Not Endorsed Crimes and Bombings

[BARRICADA] But by recognizing the existence of a government after it has been accused of bombing the civilian population and murdering priests, aren't you endorsing that government?

[Ortega] At no time have we endorsed the crimes and bombings. President Cristiani went before the other leaders to present an explanation of this situation and to offer solutions. So it is natural that, since the agreement contains other substantive points to make possible that solution, it has to reflect Cristiani's political will to solve the problem.

What the presidents endorsed is the basic, constituent aspects of the existence of that government, but they are not necessarily lending support for the bombings, the crimes, and the excesses committed by that government.

It was a matter of progressing toward more substantive issues in order to contribute to a solution to El Salvador's problems.

[BARRICADA] Specifically with regard to human rights, the document does not condemn violations by any government, but the FMLN is implicitly accused in the demand that it not carry out actions that endanger the civilian population.

[Ortega] Nicaragua has been in the vanguard, struggling in various forums against human rights violations, not just in El Salvador but in other countries.

The fact that for the sake of salvaging the peace process and achieving substantive agreements it has been necessary to obviate a condemnation of the Cristiani government seems to me a defensible position. There were also attempts to lodge a series of accusations against Nicaragua, but they quickly fell because they were unjust; however, the other side could have persisted in them in order to boycott the accord. The important thing is that this is taking place within the framework of progress, and that is what will help both Nicaragua and El Salvador to achieve a comprehensive peace.

As for the violent acts that harm the civilian population, we have supported a position on insurgent or irregular movements ever since the signing of the Esquipulas and Tela pacts. Whether or not we like the governments that exist in the region, it is not legitimate for any government to support these forces against another government.

We cannot call for an end to the war here in Nicaragua, for irregular groups to desist from violence, and for a halt to attacks on civilian and economic targets in our country, while at the same time saying that such actions are valid against another government. We cannot get involved in that problem; what the communique does is confirm a previous position.

We Behave Responsibly Because We Have Principles

Now, if the guerrillas feel that this is a just form of struggle, that is up to the guerrillas; we as a government cannot endorse it. What we are doing is expressing our moral and political solidarity with the just causes of peoples against their oppressors, against extremes, against abject domination.

Those were difficult negotiations in which we have had to accept President Cristiani's word, his political commitment. We know full well that he is surrounded by extremists, although there are also people in his government who do not agree with the terrorist acts.

[BARRICADA] You were talking about the responsible behavior of Nicaragua as a government. How does that fit with the policy of a revolutionary government that has a vocation of solidarity and principles in a variety of aspects?

[Ortega] We are responsible precisely because we have principles. As soon as we were constituted as a government, we began supporting just causes through certain international standards. If we were a guerrilla movement, we would have more latitude to say a lot of things, but we would not help much.

One must know how to apply principled positions in accordance with the times. In San Isidro Coronado we were looking for ways to advance the peace process as a whole, but to do that and benefit El Salvador as well, we had to advance by salvaging it first, and breathing more life into the process surrounding Nicaragua, and we accomplished that.

[BARRICADA] Do you think that was also accomplished by making a commitment to negotiations in El Salvador with the FMLN, while at the same time backing the Cristiani government?

[Ortega] We did not go to San Jose to negotiate as spokesmen for the FMLN. Whether we like it or not, we went to deal as one government to another. If it had been a forum of 21 countries, in the OAS or the Nonaligned Movement, to deal with the issue of El Salvador and to point out that violations must be condemned, the government would have had more latitude to express what it felt was wrong. But in this case, the idea was not for the other four to put Cristiani on trial, but to make progress on substantive issues in the name of peace.

At the bargaining table, you win some and you lose some. The basic principle is to give up something to get something, but you have to know how to restrain yourself so that you don't lose strategically. We negotiated with clean consciences, with high moral standards.

[BARRICADA] How important and viable do you find the commitment to set up negotiations between the FMLN and the Cristiani government with the mediation of the UN?

[Ortega] Undeniably, this marks a great achievement, to ask the UN secretary general to participate in the negotiations between the government and the FMLN. No one had been able to make that a reality before.

This was achieved by President Daniel Ortega in a round of talks in which he was forced to accept the previous points put forth by President Cristiani. The presidential accord, in turn, recognized that the FMLN is a reality in El Salvador, and that without that reality there can be no stability in that country.

No FMLN-Contra Symmetry

[BARRICADA] What is the specific mandate that exists with regard to the demobilization of the FMLN, and how is it similar to or different from that of the contras?

[Ortega] In reading the document, one might get an erroneous impression of symmetry between the contras and the FMLN which in fact does not exist.

As for the contras, there is a demobilization mandate that has been ratified by the five presidents, while the call for the demobilization of the Salvadoran guerrilla movement is directly tied to furthering the dialogue process with the government.

When the Tela Accord was signed, it was said that the mechanism for demobilizing the contras could be used for the insurgent movements. The CIAV would have to talk to the FMLN, and as the latter has stated, it would have to propose discussing the causes of the war through a political dialogue with the government, with UN participation as well. To the extent that specific agreements are reached, progress can be made toward laying down the terms of demobilization.

In the case of the contras, no dialogue or cease-fire is being proposed, because everyone knows there is nothing political to discuss. That is especially true since the democratic climate in our country has been invigorated with the elections, and that is an internationally certified fact.

In El Salvador, on the other hand, a political process of negotiation indicated by the UN must be set in motion.

We Do Not Renounce Solidarity

[BARRICADA] What is your reaction to the assertion by some that the Front sacrificed its solidarity with the FMLN in exchange for a ratification of the departure of the contras?

[Ortega] Armed revolutionary movements and the Sandinist government may have different views of specific approaches. We cannot be expected to behave similarly to a guerrilla movement that has no state obligations. The fact that there are disagreements should not frighten us.

Our policy of solidarity with peoples who are fighting for their freedom and independence is not subject to doubt at any time. But the manner of expressing that solidarity should adhere to the norms of coexistence with other governments.

We have not committed ourselves to renouncing our solidarity with the people of El Salvador. We have given the peace process a boost, helping the Salvadorans solve their problem by achieving an agreement for the FMLN to negotiate with the government through the United Nations. We Sandinists are not going to be able to solve their problems for them; that would amount to a denial of the ability, skill, and self-determination of the Salvadorans.

EPS Officers on Contra Plans Against Ortega

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[Text] Major Daniel Pozo, chief of staff of Military Region 1, has reported that the mercenary group that tried to ambush President Daniel Ortega on 21 January in Buena Vista, located between San Juan and Quilali, was led by Chiefs Dimas and (Olivas).

Maj Pozo said that, days before, Dimas had said over a contra radio that President Ortega had saved himself on his other tours of the region but that he would not come out of Quilali alive. Pozo said the contras were located about 15 km south of Quilali and that they later moved to the place known as El Zapote, about 5 km from the site where the ambush would take place and where they were detected by troops of the Sandinist People's Army [EPS] and the Interior Ministry. Pozo said the contras planned the operation, deciding the target and place where the ambush on President Ortega would take place. He also said they had planned their escape route. He added that all of this was monitored by the EPS troops over the radio communications system.

Meanwhile, Colonel Hugo Torres, chief of the EPS Political Directorate, reported on 22 January that approximately 3,200 counterrevolutionaries, grouped in small units, are operating deep in the mountainous areas of Regions 1, 5, and 6, with the order to assassinate the activists of the Sandinist National Liberation Front [FSLN]. He said that as part of those plans, the contras tried to ambush the motorcade of President Daniel Ortega in the area of Telpaneca over the weekend. On that occasion, the Nicaraguan president organized the necessary actions to counteract the action by the contras. Torres said the contra objective is the assassination of the FSLN leaders to destabilize the electoral process.

[Begin recording] [Torres] This falls within the plans to hinder the elections. It has also been reported that these groups will try not only to carry out sabotage actions, but also to stage attempts on the lives of our leaders, especially the Nicaraguan president. According to their plans, this would create chaos and hinder the electoral process. I do not think they will give up trying to kill the president. Nevertheless, so far we have been frustrating all their plans and we think we will continue to do so.

[Reporter] What are your estimates of the number of mercenary forces in this area of the country, mainly in the border areas and deep in Region 5?

[Torres] There are a little over 3,200 counterrevolutionaries in Military Regions 1, 5 and 6, which is where the mercenary forces essentially operate. They have brought in small groups to try to have an effect on the peasant population and to intimidate and to attack FSLN activists. The people already know of the case of the activists who were killed on the border between Military Regions 1 and 6, where comrade (Jeff Hernandez) was wounded. He is the FSLN campaign chief in Region 1. [end recording]

UNO Reportedly Receiving Covert U.S. Financing

PA2301182290 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 23 Jan 90

[Text] Customs documents and letters from its leaders reveal that the National Opposition Union [UNO], which has declared itself bankrupt, has been covertly receiving thousands of dollars. These papers reveal the covert means through which the UNO has been receiving U.S. financing, which is similar to that used by Oliver North, former U.S. National Security Council official, to finance the counterrevolutionaries. There are documents on donations in checks given to Jaime Montealegre and UNO campaign chief Antonio Lacayo by U.S. and Venezuelan taxpayers. The Committee for Free Elections and Democracy [Comite Pro-Elecciones Libres y Democracia] organized in Miami has records of sending up to $50,000 to the UNO. There are shipping invoices for all kinds of communications and office equipment. There are also requests to make deposits in dollars by foundations located in Washington and which were channeled through Silviano Matamoros, UNO candidate to deputy. The shipments of communications and office equipment, through Panama, to the UNO are worth more than $70,000.

To this must be added the recent establishment of the Institute for Electoral Promotion and Instruction, IPCE, which has been illegally operating in Nicaragua.

[Begin Edgar Chamorro, former contra leader, recording] The IPCE is one of the biggest recipients of the $9 million that the U.S. Congress approved to be given. The UNO is to receive $1.8 and the IPCE $1.5 million. This is being done through the NED, the National Endowment for Democracy, which in turn [words indistinct] of the Republican and Democratic Parties. [end recording]

Since 1985, the various sectors of the right-wing opposition have received a large amount of dollars. The UNO alone has received more than $30 million from shady and covert sources.

CSE Official Denies Delay in Donations Delivery

PA2401041390 Managua Radio Sandino in Spanish 1930 GMT 23 Jan 90

[Text] Rosa Marina Zelaya, secretary of the Supreme Electoral Council [CSE], today rejected statements by certain politial leaders who claim that the CSE is delaying delivery of foreign donations to political forces participating in the elections. She also explained that the Austrian Government is yet to send the $130,000 that it offered to all political organizations participating in the electoral process.

[Begin recording] [Zelaya] Concerning foreign donations for political parties, alliances, and popular organizations, the CSE has processed them very quickly. Foreign donations have met no obstacles or delays as long as they are within the regulations that apply to them. In their request, these parties have to specify who is making the donation and what is being donated, as well as the unit or CIF-FOB [cost/insurance/freight-free on board] value of the items included in the donation.

We are not delaying the delivery of these donations. Once the requirements are met, we immediately deliver them. You can check our records which show that the date of the request is almost the same date of the authorization to make the delivery.

However, a process must be followed: The CSE approves the donations and sends a letter to the Foreign Cooperation Ministry. The Foreign Cooperation Ministry, which also states that certain requirements must first be met, authorizes the release of the donated materiel from customs or the deposit of donated funds at the Central Bank if such donation involves cash.

[Reporter] In the event that party representatives are not present at the vote count, how can the CSE guarantee the honesty of this count?

[Zelaya] We hope that the representatives of all political parties, alliances, and popular organizations will be present at the 4,394 vote counting boards. A CSE resolution issued after a meeting held on 20 January extended the deadline to accredit party representatives from 30 January to 8 February to give parties more time to get their representatives registered.

In addition, it must be recalled that the vote counting boards are comprised of a president and a first and second member, with their respective alternates. It must also be recalled that the second member and his alternate are chosen from lists of three candidates presented by the political parties and alliances.

Therefore, representatives of political parties are always present on these boards. However, I insist, we wish to have representatives from all political parties, alliances, and popular organizations on the vote counting boards. The forces participating in the elections also have the

right to have regional representatives with their respective alternates at the regional councils and a national representative at the national computation center.

[Reporter] Are international observers authorized to witness the vote count?

[Zelaya] Yes. International observers of ONUVEN [UN Observer Mission for the Verification of Elections in Nicaragua] and the OAS have already expressed their willingness to go to the various vote counting boards. They will try to visit all of them, or at least a majority of them. They have every right to witness the voting, the counting, and so on.

[Reporter] Certain political parties, including PLIUN [Independent Liberal Party of National Unity] and PUCA [Central American Unionist Party] have complained that the CSE has not said anything about a $130,000 donation from Austria. What happened to this donation?

[Zelaya] The truth is that the Austrian donation is still pending. It is not that it will not come. It seems that there has been some delay caused by the Austrian Government itself. However, it has expressed its concern and interest to supply the $13,000 for each political party. These funds will be used in propaganda for the electoral campaign. We explained this matter to the parties because we are certain that the Austrian Government will keep its promise.

[Reporter] Concerning the funds allocated for each political party, have they been delivered?

[Zelaya] Yes, the financing for candidates running for president, vice president, and representative to the National Assembly have been completely distributed. We began to distribute the financing for candidates running for council on 19 January. However, there are still a few parties that have not come to the CSE office to pick up their funds. We have already delivered funds to the National Opposition Union, the Social Christian Alliance, the Democratic Conservative Party, the PLIUN, and the Revolutionary Workers Party. [end recording]

Managua Press Election Coverage for 18, 19 Jan

PA2301212090

[Editorial Report] The following is a review of selected reports published in the Managua press on 18 and 19 January dealing with the Nicaraguan election campaign. Press reports on major developments in the election campaign will be processed and filed separately by FBIS Panama Bureau.

On 18 January, the government organ EL NUEVO DIARIO reported on a demonstration held by the National Opposition Union [UNO] in the city of Granada on the evening of 16 January. The report says that "approximately 150 UNO militants" staged "an act of provocation" in the vicinity of the Granada Hotel "a few minutes before President Daniel Ortega was slated to meet there with the Sandinist Electoral Action Committees." EL NUEVO DIARIO points out: "This is not an isolated incident. It is part of a plan of provocation to create an uneasy atmosphere during the electoral process."

On the 19th, EL NUEVO DIARIO carried a report on statements by Supreme Electoral Council [CSE] President Mariano Fiallos Oyanguren regarding the electoral campaign. The report begins by pointing out that UNO has received foreign funding in the amount of $3,584,350, while the Sandinist National Liberation Front [FSLN] has received only $418,379.60. Regarding reports of people posing as CSE officials and questioning people in their homes, Fiallos says that the CSE will not conduct any polls and cautions everyone that they are not compelled to answer any questions about political or electoral matters. Fiallos says that some 800 observers from the United Nations, the OAS, and the ONUVEN will be in Nicaragua for the elections, and that the total of international observers could very well reach 2,000.

The same edition carries a report on the televised debate between Francisco Mayorga, economic adviser to UNO, and Edmundo Jarquin, of the FSLN, regarding the national economy (filed as PA2301022490). The EL NUEVO DIARIO report portrays the debate as a resounding defeat for Mayorga, who "displayed histrionic capabilities instead of the sharp intellect his admirers claim he possesses." The paper says that Mayorga remained serious throughout the debate, after being "taken by surprise by his opponent's answers." The report concludes that two things were clear to the electorate following the debate: Mayorga refused to refer to the problems caused by the war, and was he silenced by Jarquin's references to the varying positions he has espoused regarding the economy, first as a Somozist official, then as a Sandinist official, and finally as an UNO adviser.

In an editorial in its 19 January issue, the opposition LA PRENSA gave its impressions of the debate. Describing it as the most avidly watched program thus far in the electoral campaign, LA PRENSA viewed the debate as a clear victory for the UNO representatives. Chiding the FSLN for sending as its representatives "fifth-level militants...of a lower academic level than the UNO representatives," the paper suggests that this might have been "to spare the FSLN image, since its defeat had already been forecast." The paper said that the "excuse of the civil war, which has been bandied back and forth to cover up the Sandinist shortcomings, was immediately dismissed with the argument that when the FSLN began to rule there was neither counterrevolution nor domestic dissidence. However, the FSLN insisted on copying the Cuban model," which brought about the war.

U.S. 82d Airborne Troops Dropped Into Honduras

PA2301184890 Managua Radio Sandino in Spanish 1819 GMT 23 Jan 90

[Text] According to available information, part of a battalion from the U.S. 82d Airborne Division parachuted out of four C-141 aircraft today into Honduran territory. A few minutes later, five other C-141's dropped more 82d Airborne Division troops, thus completing a full battalion of the 82d Airborne Division paratroopers who were dropped somewhere in Honduras today.

We are establishing contact with Honduran radio stations—which up to this time have evaded the topic. This prevents us from giving any more precise information on this situation.

Panama

Arias Files Property Statement; Analyzes Security

PA2401031490 Panama City Telemetro Television in Spanish 2300 GMT 23 Jan 90

[Text] At noon today, First Vice President Ricardo Arias Calderon filed a sworn statement of property ownership of more than $500,000 in the presence of a notary public. The law stipulates that every important public official must make a statement of property both before assuming office and after he has terminated his functions.

On leaving the office of Notary Ramon del Rio Mong, Arias, who is also Minister of Government and Justice, made remarks to local and international reporters on the country's current political situation.

[Begin recording] [Arias Calderon] The majority of the soldiers alluded to have already been discharged. Should there be anyone who has not been discharged and should the prosecutor think it is fitting to summon him, the discharge of such a soldier will be considered.

[Reporter] What criterion did the Ministry of Government and Justice use to cut back the period of the curfew?

[Arias Calderon] The basis used was the increasing tranquillity in the country despite the holdups of the past few days. We have three reasons to expect this security to increase. First, because of the increasingly efficient operation of the Public Force. I must point out that in the city's old quarters, which are almost entirely controlled by the Public Force, the number of criminal actions has been reduced. Second, the people's awareness of the possibility of self-defense against criminals. Just as in the days that followed the military action, many neighborhoods have organized to prevent violence, the ministry intends to form groups in the various neighborhoods through the civil defense to protect the population against criminals. Third, we expect new confidence in the country to give quick impetus to economic reconstruction and offer new opportunities for work to all Panamanians, so no one feels tempted to resort to crime to survive. [end recording]

Arias Calderon also referred to the possible presence of guerrilla groups in the country.

[Begin Arias Calderon recording] We have not learned of any organized armed group that at present offers resistance to the Public Force and, particularly, President Guillermo Endara's democratic government. There have been rumors about this, but no organized armed group has appeared so far. Criminals armed with high-caliber weapons have indeed been observed either alone or in groups of two or three, but not as organized groups of guerrillas. [end recording]

Argentina

U.S. 'Ban Threat' on Shipping 'Ill-Considered'

PY2301224890 Buenos Aires BUENOS AIRES HERALD in English 23 Jan 90 pp 13, 15

[Excerpts] U.S. President George Bush's recent ban on Panamanian-flag ships using U.S. ports from February 1 was roundly condemned by all concerned with tramp shipping—owners, charterers and associations alike—although it has now been revealed by Lloyd's List that the decree was never actually signed!

The surrender of Noriega has, of course, made this move unnecessary but it has left all concerned with am imbroglio of enormous proportions. The only beneficiaries from the ill-considered idea have been maritime lawyers who have had a rush of business to cope with the enormous amount of paperwork necessary to switch flags, and those registeers to which ships previously flying the Panamanian flag had already been transferred.

The chief victim, of course, has been the responsible and well-run Panamanian register, built up as the result of years of hard work, and the recipient of many messages of sympathy and goodwill.

Given this situation, it was not surprising to learn that Dr. Hugo Torrijos, who has run the register for nine years and who announced his resignation on October, has now agreed to stay on to try to minimize the loss caused by the ban threat. [passage omitted]

To sum up, the U.S. move was an ill-considered ban which eventually came to nothing but which has left all concerned with many headaches and the Panamanian register minus some 400 ships. It also set a dangerous precedent, as it has now been confirmed that Libya has banned all ships that have called at French ports, regardless of flag.

It is to be hoped that the ban-threat tactic will not catch on and thus add to owners' and charterers' many problems. It was thus with relief that China recently allayed fears that it was set to impose a ban on Liberian flagged vessels visiting its ports because of that country's recognition of Taiwan. Naturally this threat had owners greatly alarmed, coming on top of the U.S. ban-threat, and concerning the two biggest open registers. [passage omitted]

Bank Problems Symptom of 'Internal Strife'

PY2301230090 Buenos Aires BUENOS AIRES HERALD in English 23 Jan 90 pp 11, 3

[Text] President Carlos Menem named his fourth Central Bank (BCRA) president yesterday, underlining the internal strife within his administration in the face of a severe economic crisis.

Rodolfo Rossi, Central Bank president for a mere four weeks, confirmed yesterday that he submitted his resignation to Menem on Friday [19 January].

Menem named Enrique Folcini, an economist and former Treasury secretary, to take over as Central Bank president starting today. Folcini, 53, was president of the Central Bank between 1966 and 1973 and also between 1976 and 1983. Folcini is considered a loyal advocate of the revamping of the financial system.

For his part, Rossi said that his resignation should not be considered an abandonement. "I am in the economic team," he said, adding that his relationship with the Economy Minister Antonio Erman Gonzalez is "excellent."

Gonzalez said Rossi resigned to become a presidential adviser on restructuring of the Central Bank system.

But un unnamed government official said that Rossi was forced to leave because of his liberal economic philosophy that ran contrary to the more recent interventionist policies of Gonzalez.

Rossi's problems began two weeks ago when it was revealed that the Central Bank had added almost one billion (million million) australs to the system, in spite of its affirmation that there had been no printing of money.

The public outcry over what was considered printing unbacked money was denied by government officials but caused the markets to respond with a rise in the exchange rate of 11 percent in only five days of operation.

Yesterday morning Rossi acknowledged that "my resignation is due to pressure from interested parties." An official close to Rossi revealed that the Central Bank president was forced out because he proposed that debtors be allowed to pay off bank loans in Bonex bonds, saying it was only fair after the deposit accounts had been forcibly converted in large part of Bonex.

The government last week allowed businesses to buy some properties owned by the Central Bank in Bonex.

An Economy Ministry official said that private bank executives were placing "a great amount of pressure" on the economy minister to find a replacement for Rossi more in line with their political opinions.

The resignation yesterday pointed to internal strife within the Menem administration with Gonzalez pitted against Foreign Minister Domingo Cavallo and foreign debt adviser Alvaro Alsogaray, who differ over how the government should confront the current economic crisis.

The new Central Bank president, Folcini, is known to have an economic philosophy diametrically opposed to that of Cavallo and Alsogaray and observers said the move would help Gonzalez consolidate his Bonex programme.

The country is working under the watchful eyes of the International Monetary Fund (IMF)—another team arrived last night.

Last November Argentina and the IMF signed a 1.4 billion-dollar loan agreement with payments to be spread over 14 months.

Under the loan conditions, the nation must lower monthly inflation under two percent, sharply reduce the budget deficit and continue to accelerate deregulation of the economy.

So far, the country has received 230 million dollars of the IMF loan, but the next instalment, which Erman Gonzalez said would be in by the end of the month, was not so certain.

Bolivia

President: Drug Summit Will Discuss Extradition

PY2301214490 La Paz PRESENCIA in Spanish 19 Jan 90 p 1

[Excerpt] President Jaime Paz Zamora said yesterday that the drug summit to be held by Colombia, Peru, the United States, and Bolivia on 15 February in Cartagena de Indias will define the extradition policy for drug-trafficking crimes.

He added that extradition will be considered an overall issue taking into consideration the various aspects of the struggle against drug trafficking.

He also said the government is working on the issues to be discussed in the February meeting and that various aspects related to the struggle against drug trafficking will be defined there.

The issue of extradition for drug trafficking again created concern in the government since former Interior Minister Luis Arce Gomez was arrested and handed over to the United States.

Despite the fact that Under Secretary of Justice Roger Pando said the government is studying the modernization of the extradition treaties, the president preferred not to provide any details. [passage omitted]

Foreign Minister Reports on Santa Cruz Meeting

PY2301215290 La Paz PRESENCIA in Spanish 15 Jan 90 p 1

[Text] The need for greater economic resources as a basic requirement of the struggle against drug trafficking was the issue discussed during the preparatory meeting for the upcoming presidential drug summit to be held by the Bolivian, Colombian, Peruvian and U.S. presidents in Cartagena de Indias on 15 February. It has also been learned that the Cartagena meeting will last 7 hours.

Bolivian Foreign Minister Carlos Iturralde closed the preparatory meeting in Santa Cruz de la Sierra. The meeting was attended by high-level representatives from the four countries. Iturralde said that the agreements reached "are necessary to create a common framework clearly establishing that solutions cannot be found without resources, investments, and strong economies, and that they cannot be found in the midst of countries affected by poverty and underdevelopment."

After 5 days of tiring and difficult negotiations which concluded in the early morning of 14 January, a short communique was released indicating that "the objectives established by the agenda were fulfilled, and this will allow the success of the Cartagena de Indias summit (...) to adopt a joint, overall and coordinated strategy to face the serious illegal drug problem and its economic and social consequences."

The agreement will not be released until it is signed by the presidents next month.

However, it has been learned that the overall actions of the four countries against drug trafficking will be carried out "within the framework of their respective sovereignty and respect of the law."

The demand for greater U.S. economic support for the Andean countries is still pending.

Iturralde also said that "a solidarity in the responsibility to fight drug traffic was assumed. This is a process that will conclude in Cartagena, and it is a well-structured and joint effort accomplished for the first time."

He added that "the money and goods obtained from drug traffic must be eliminated from our economies and replaced by legal monetary sources."

Foreign Ministry Communique

PY2301203290 La Paz PRESENCIA in Spanish 17 Jan 90 p 6

[Excerpt] Foreign Ministry sources yesterday reported that the common front against drug trafficking has been strengthened with the adoption of a joint strategy among the Andean countries and the United States.

Colombia, Peru, the United States, and Bolivia have now formed a front that will be consolidated and strengthened with President Paz Zamora's proposal to hold a summit meeting with Japan and the EEC countries.

The struggle against drug trafficking is no longer scattered, but it is now carried out by four countries that have agreed on joint actions against drug trafficking.

A Foreign Ministry communique states that the chiefs of the delegations of Bolivia, Colombia, the United States, and Peru, who met in Santa Cruz from 10-14 January, expressed their satisfaction because they managed to attain their predetermined goals.

The preparatory meeting for the presidential summit that will take place in Cartagena de Indias, Colombia, was labeled "very positive" and a landmark in the establishment of a solid front against drug trafficking.

Attaining the goals set by the preparatory meeting in Santa Cruz will allow a successful presidential summit in Cartagena de Indias.

It is expected that a joint, complete, and coordinated strategy will be adopted during the Cartagena summit to face the serious problem of drugs and their social-economic consequences. [passage omitted]

President Paz Zamora Visit to FRG Postponed

PY2301213690 La Paz EL DIARIO in Spanish 18 Jan 90 pp 1, 6

[Excerpt] At least during the first half of 1990, President Jaime Paz Zamora will not be able to visit the FRG, where he was planning to discuss bilateral cooperation, especially in the antidrug struggle.

Highly reliable sources told EL DIARIO that the FRG Government has sent an official note to the Bolivian Government explaining the problems in arranging Paz Zamora's visit to this country.

Paz Zamora had expressed interest in visiting the FRG during his tour of Italy and Spain in April, following contacts conducted by Vice President Luis Ossio Sanjines.

Foreign Ministry sources reported that in the past few days, the appropriate contacts were made with a view toward Paz Zamora's visiting the FRG and meeting with President Richard von Weizsaecker and members of the German parliament. [passage omitted]

Embassy in Panama To Admit Political Refugees

PY2301205890 La Paz EL DIARIO in Spanish 15 Jan 90 p 3

[Text] Bolivian Vice President Luis Ossio has said that the Bolivian Embassy in Panama is prepared to admit Panamanian citizens who seek asylum for political reasons.

Ossio said that this is an opportunity to emphasize the issue of Latin American integration to counteract U.S. actions.

The information minister has reported that the Bolivian Government released a document a few weeks ago outlining its position on the Panama issue. One point of this document deals with the matter of asylum.

He said: "Asylum is an inviolable right for Latin Americans and for a country like Bolivia which had to face difficult situations. All Panamanian citizens who sought political asylum in the embassy in Panama will be protected."

He added that all those who were granted asylum by the Bolivian Government will be respected and protected, and they will go wherever and whenever they want.

International news agencies have reported that some Panamanian citizens who are loyal to the Noriega regime and who oppose the current regime for political reasons, sought asylum at the Bolivian Embassy.

Minister Regrets TIAR 'Loss of Prestige'

PY2301204890 La Paz EL DIARIO in Spanish 15 Jan 90 p 1

[Text] According to Defense Minister Hector Ormachea, the Inter-American Reciprocal Assistance Treaty (TIAR) "allowed us to obtain useful military support for Bolivia" despite recent criticism from Latin American countries.

Ormachea said the TIAR contributed with Latin America in various aspects "affording Bolivia special help because with TIAR support the Armed Forces Civic Action group carried out important civic activities."

Ormachea regretted the TIAR's loss of prestige following the Malvinas Islands conflict despite its efficient job in Latin America. "Despite continental solidarity the TIAR regretfully did not work," the minister said.

In the case of the U.S. invasion of Panama "the TIAR was not very fortunate because it did not function as it should in the international arena."

Minister Ormachea said Bolivia's position is represented by the attitude of Vice President Luis Ossio "because it reflects the concerns of the Bolivian Congress regarding Panama."

FRG Envoy Criticized Regarding Mining Plant

PY2301111790 La Paz La Red Panamericana in Spanish 0000 GMT 23 Jan 90

[Text] Mining and Metallurgy Minister Walter Soriano Lea Plaza has reiterated that the Karachipampa metalworking plant will resume operations in November 1990 despite the FRG Government's refusal to provide financial resources.

Lea Plaza, who was visibly annoyed at the FRG ambassador's statements on the operation of the plant, has said that Bolivia will assume the responsibility of supplying the raw material and that the German company in charge of the installation will take care of the operation of the plant.

Lea Plaza stressed that if the FRG Government does not finance the purchase of concentrates, the executive branch will take other steps to locate financial resources, because the FRG is not the owner of Bolivia or of the mining and metalworking sectors. Is this true, Minister Lea Plaza?

[Begin Lea Plaza recording] Of course it is. The (Clockner) company and the Bolivian Government will assume their responsibilities so the plant can resume operation. The supplying of raw material is our problem, and we will solve it. There are, however, other situations that should be resolved by those who have contributed to the disaster at Karachipampa, which we want to responsibly resolve now. [end recording]

Lea Plaza said it is surprising the FRG diplomat is not happy with the Bolivian Government's decision to seriously begin operation of a plant that has cost the country $200 million .

The situation created by the FRG ambassador's opinion, Lea Plaza said, has forced the Bolivian Government to further examine the responsibility that the (Clockner) company must assume regarding the plant.

Armed Forces Propose Military Zone in North

PY2201165990 La Paz La Red Panamericana in Spanish 1130 GMT 22 Jan 90

[Text] According to a Government House source, President Jaime Paz Zamora will thoroughly analyze a proposal made by Armed Forces Commander General Jorge Moreira to declare the northern Bolivian territories a military zone.

Gen. Moreira has recently proposed to militarize the northern Bolivian territories to defend and preserve Bolivian natural resources from constant despoliation by foreigners.

The media has been reporting charges made by the inhabitants of Beni and Pando Departments, north of La Paz, who say that nonrenewable resources like gold and wood are [words indistinct] being despoiled, and that no effective measures are being adopted to stop this illegal action.

Gen. Moreira said that the Armed Forces' proposal stems from the need to safeguard Bolivian natural resources in face of foreign penetration of northern national territories. He said the final decision will be made by the president of Bolivia in his capacity as captain general of the national Armed Forces.

Government House sources reported that the Armed Forces commander's proposal has been sent to the National Security Council to be studied, and a final report will be drawn up to allow the chief of state to make a final decision.

Iturralde Against Militarization

PY2301155790 La Paz La Red Panamericana in Spanish 1130 GMT 23 Jan 90

[Text] Foreign Minister Carlos Iturralde last night said that the northern border regions should be settled with civilians rather than be militarized. Iturralde said the proposal made by Armed Forces Commander General Jorge Moreira to militarize the northern regions to protect Bolivian natural resources must be thoroughly analyzed because the deployment of military units implies the analysis of several internal factors.

The foreign minister said the national government is committed to national development and that the role of the Armed Forces is very important. The military contribution to national development is clearly outlined by Decree No. 22407, recently proclaimed by the government, Iturralde said.

[Begin Iturralde recording] If the Armed Forces could help by creating cooperatives and building schools and hospitals, thus guaranteeing the security of the people, then why not? This is an important subject which I have discussed thoroughly with the defense minister. It is (?mentioned) in Decree No. 22407, which defines the Armed Forces' role. [end recording]

Ormachea Denies Militarization

PY2401022890 La Paz Television Boliviana Network in Spanish 0030 GMT 24 Jan 90

[Text] Defense Minister Hector Ormachea denied today that he announced the militarization of Beni and Pando Departments. He said:

[Begin Ormachea recording] The press report is wrong. I would like to say that militarization is one of many possibilities, and the most remote without any doubt. A thorough and lenghty study must first be done before a decision can be made in this regard. The study is necessary to learn if the conditions warrant militarization; therefore, I would like to deny the press report. No such concrete proposal has been made to the executive branch. It was only wrong information from the press. I would like to reiterate that this is only one of the numerous possibilities in the country to put many things in order. [end recording]

Exports in 1989 Increased by 32 Percent Over 1988

PY2301001190 Madrid EFE in Spanish 2335 GMT 21 Jan 90

[Text] La Paz, 21 Jan (EFE) — The National Statistics Institute (INE) reported today that during 1989 Bolivian exports increased by 32 percent compared to 1988.

The official figures indicate that during 1989 Bolivia exported products valued at $724.9 million, $177.9 million more than in 1988.

Minerals head the list with exports worth $326.6 million; followed by hydrocarbons which total $222.5 million; and nontraditional exports amounted to $175.8 million.

Brazil

Collor Returns From Argentina, Uruguay, Paraguay

PY2201150090 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 22 Jan 90

[Report by Erasmo Damasceno from Brasilia; and Mauricio Cardoso from Asuncion]

[Text] President-elect Fernando Collor de Mello arrived at Brasilia Military Airport at 0100 this morning. He was received by the base commander and left the airport

through the command building. Some 100 meters from the airport entrance journalists were waiting for him. Claudio Humberto, Collor's press adviser, was the one to comment on the trip, however.

[Begin Humberto recording] President Collor accepted the invitation of the presidents of the three countries and took the opportunity to establish his first contacts, which will lead to a fruitful relationship. [end recording]

Claudio Humberto also said there are no new official ministerial appointments to announce:

[Begin Humberto recording] The president will announce the names of the new ministers as their appointments are confirmed. There is no concern about when these announcements will be made. [end recording]

The second series of Collor's official visits will begin on 24 January, when he will leave for the United States. He will then visit Europe and will return to Brazil on 13 February.

In Argentina, President-elect Fernando Collor met with President Carlos Menem. Their main topic of discussion was Latin American integration. According to Collor, Argentina will resume negotiations in March for the construction of the bridge that will connect the two countries at Sao Borja, Rio Grande do Sul State, and for the construction of a gas pipeline.

[Begin Collor recording] I leave this meeting with President Carlos Menem with motivation and with well-founded hopes that our integration with the other Latin American countries will start in the Southern Cone, and specifically, in Argentina. President Menem has clearly shown that, beginning in March, he intends to continue implementing the construction of the bridge that will link our two territories in the Sao Borja-Santo Tome region, and to continue work on the gas pipeline that is being finished. We will thus receive gas from Argentina and, thanks to this source of energy, promote development in Rio Grande do Sul and other regions in the south. [end recording]

The two presidents also commented on the renegotiation of the Latin American foreign debt. President Menem said that negotiations will continue to be held separately but will gradually begin to be held jointly as the integration process develops.

The Argentine president confirmed that he will attend Fernando Collor's installation ceremony.

From Argentina, the president-elect left for Uruguay, where he was welcomed by President Julio Maria Sanguinetti. Again, the main topic was Latin American integration. As Collor explained after his meeting with Sanguinetti, the two presidents discussed Brazilian-Argentine-Uruguayan projects:

[Begin Collor recording] I believe the creation of a Latin American common market will strengthen democracy and speed up our economic and social development. This integration cannot remain simply a theme for speeches and rhetoric. We must work hard to implement effective measures to make Latin American integration a reality in a short time and to make this integration start in the Southern Cone. [end recording]

After meeting with Sanguinetti, Collor was welcomed at the Latin American Integration Association [ALADI] headquarters by Secretary General Norberto Bertania. In a short speech, Collor said that economic and commercial integration is fundamental to ensure Latin American competition in the international market.

From the ALADI headquarters, Fernando Collor went to Punta del Este, where he met with Uruguayan President-elect Luis Alberto Lacalle. After a friendly luncheon, the two presidents-elect held a closed-door meeting to discuss Latin American issues.

The last leg of Collor's trip was Asuncion, where he met with President Andres Rodriguez for 90 minutes. During the meeting, they discussed the foreign debt, trade cooperation, and the feasibility of new bilateral projects. Collor left the La Carmelitas residence, where the meeting was held, in the company of President Rodriguez. They went straight to the Asuncion Airport. After the meeting, Collor commented on the importance of Latin American market integration and promised to intensify talks with the other Latin American chiefs of state.

After holding talks with the Southern Cone presidents, Collor will now hold talks with first world presidents. On 24 January, Collor leaves on a 19-day tour of the United States, Europe, and Asia. The main topic of the talks will also be the Brazilian foreign debt.

Interview With Future Military Ministers

PY2301130090 Sao Paulo FOLHA DE SAO PAULO in Portuguese 18 Jan 90 p A-6

["First" joint interview with Army Minister-designate Carlos Tinoco Ribeiro Gomes, Navy Minister-designate Mario Cesar Flores, and Aeronautics Minister-designate Socrates da Costa Monteiro by unidentified reporter; date and place not given]

[Text]FOLHA DE SAO PAULO: Has President Fernando Collor already given you some specific tasks?

Flores: Nothing specific. In our case, things are much simpler. We are going to lead institutions with a natural stability and continuity so there is no need for specific tasks, unless some requirement eventually arises. You must understand that for the Armed Forces, very stable and continuous institutions, specific tasks are not as important as they would be, for example, in the economic area.

FOLHA DE SAO PAULO: Are you in favor of abolishing the EMFA [Armed Forces General Staff]?

Ribeiro Gomes: This seems to be a less important matter because the EMFA will continue to do the same work and play the same role. This organization will continue to perform the same work despite losing its ministerial status.

Flores: I want to say in this respect that ministerial status was accorded the EMFA chief some 3 decades after the creation of the EMFA, and it continues to do the same work.

FOLHA DE SAO PAULO: What do you think about abolishing the SNI [National Service for Intelligence]?

Flores: I would prefer to be excused from commenting on this matter, not only for professional reasons—I have always been involved with the Navy—but also because I am not entitled to give my opinion on this matter. As in any government, I think there should be some sort of system to keep the president continuously informed. Whether it should be the SNI or some other organization, it is just a matter of adaptation. But frankly, I am not in a position to elaborate further on this matter.

Ribeiro Gomes: The SNI issue is not under our jurisdiction. It depends directly on the Presidency.

Da Costa Monteiro: I think the SNI issue should be analyzed not emotionally but technically, to determine its specific mission or what types of missions need to be modified. I am sure that the government will know how to handle the security issue.

FOLHA DE SAO PAULO Are the difficulties to which you gentlemen referred when you introduced yourselves related to labor strikes? When strikes occur, who should negotiate on behalf of the government?

Flores: Is the question who should negotiate? It should definitely not be the military. The difficulties that I referred to, to which I wanted to refer—excuse me if I did not describe them clearly—had to do with implementing a program for equipping, for maintaining naval preparedness in face of the serious economic problem we are experiencing. I did not mean to refer to anything else.

FOLHA DE SAO PAULO: In the next government, will the professionalization of the Armed Forces be emphasized, or will they continue to play a political role?

Da Costa Monteiro: Speaking for the Air Force, I can say that the intention is to work in the professional area, to continue to work in the professional area. The observation of political issues only indicates interest...the Air Force plans to be totally and absolutely dedicated to the professional area.

FOLHA DE SAO PAULO: What are your plans, gentlemen, in the area of equipment? Will the Aeronautics Ministry continue the AMX project?

Da Costa Monteiro: As far as the Air Force is concerned, the AMX program is more than a project to build a plane; more than an intention to have a plane. Our objective is to participate and to help in the technical development of the Brazilian industrial and aeronautic establishment. We are presently building planes that are taken to the United States, planes that, although small and medium-sized, fly in Europe. We intend to keep pace with the global development of aviation. It is therefore necessary to introduce technology and to train engineers, workers, and technicians; it is necessary to update equipment, and this is our objective. If possible, we intend to continue working in that direction. We hope that it will be possible to find solutions by evaluating the priority of these programs so the Brazilian economy can grow and our country can develop. We believe it will be possible to find solutions to the problem.

FOLHA DE SAO PAULO: Collor said during the electoral campaign that he would not tolerate disorder. Does this mean the Army will be deployed in the streets?

Ribeiro Gomes: The Constitution allows and establishes rules for strikes. Abuses of the right to strike cannot be allowed. The problem initially belongs to the states. As a public order problem, strikes are a specific problem for the states.

FOLHA DE SAO PAULO: The Constitution granted Congress greater power, and it practically prepares the budget. Do you gentlemen intend to work with Congress?

Flores: I believe that a solid understanding between the Armed Forces and the Congress is indispensable. This is essential to maintain political support for our military preparedness. I have the impression that this is a widespread view in the Armed Forces. We will not refuse to explain the reasons for proposing any budget allocation. We will try to convince the nation's representatives of the requirements for preparedness and, consequently, of the financial needs they will entail. This understanding is necessary. In fact, it already exists; it is nothing new. We will continue to promote that understanding on the Navy's part; to the extent that I can make decisions, we will seek an increasingly clear and deep understanding.

FOLHA DE SAO PAULO: How was the invitation for your appointments as ministers handled?

Flores: I received a notice to report at a certain time, and as a good military man I was there right on time. The president then told me of his intention to invite me to take the post. It was his decision and the invitation was accepted, of course. I received a notification to appear here this morning; I didn't know at what time.

FOLHA DE SAO PAULO: Further on this point: Were you escorted by someone? Former Navy Minister Maximiniano da Fonseca, for instance?

Flores: I didn't know the name of the person who escorted me to see the president; he met me downstairs. It was a not a high-level official who took me to the meeting, as far as I know.

FOLHA DE SAO PAULO: Had you already met the president?

Flores: I had already met him, but under different circumstances.

Ribeiro Gomes: There was some intermediation in the Army's case... The call to appear for this meeting with the president was made through the current minister.

Da Costa Monteiro: I received a call this morning from Aeronautics Minister Moreira Lima, who said that I had to report here this afternoon. When I got here I received the president's invitation with much pride and satisfaction.

Flores: Just for your information: I was told to report by Admiral Saboia, who is my chief. I am an officer on active duty and he was the one who notified me.

FOLHA DE SAO PAULO: Do you gentlemen plan to make any changes in the structure of your ministries? In the military school curriculums, for instance?

Flores: The curricula of the Navy Joint Staff are professional. As far as I have seen in my time in service, they were always professional curricula. The problem to which you referred, the problem of political involvement, is a national cultural problem rather than a military problem.

Da Costa Monteiro: Regarding the Air Force, professionalization is a reality, something that we are working on today. The Aeronautics Ministry is working hard to maintain its professional activities in an up-to-date fashion, modernized through appropriate training. We also need to meet civil aviation demands, as we have been doing for more than 15 years, by installing radar units, analyzing problems, and overseeing operations. Professionalization is a work program with a long history.

FOLHA DE SAO PAULO: Do you gentlemen plan to make any changes in the Brazilian nuclear program?

Flores: I would imagine that you are addressing that question to me. The Navy is considered responsible for that process, but it actually only cooperates with the Brazilian nuclear program; it does not manage it. Contrary to what has been said many times, the Navy is cooperating to ensure a technological capability so that some day, if it is so decided by political leaders, we can build a nuclear submarine. This is what the Navy does. The Brazilian nuclear program is not a military program.

FOLHA DE SAO PAULO: President Collor will dismantle the SNI. Will you follow suit by dismantling the intelligence services at the ministries?

Da Costa Monteiro: As far as the Air Force is concerned, the CISA [Air Force Intelligence and Security Center] has already been dismantled. We now have an intelligence secretariat that is part of military planning. This secretariat is subordinate to the chief of the Joint Staff as a component of the Aeronautics Joint Staff, as in the joint staff of any armed forces in the world. That answers your question from the Air Force's point of view.

Ribeiro Gomes: For the Army, in my view the Army Intelligence Center is indispensable for providing the minister and the Army in general with information needed for decisionmaking.

Flores: I would say that the Navy's situation is similar to the situation described by General Ribeiro Gomes. The Navy Intelligence Service is more...is less well-known and more maligned. However, it is necessary as a source of information for the decisionmaking process and as such it should continue to exist. Its objectives and goals will be adjusted with the nation's evolution. And this is exactly what is happening.

FOLHA DE SAO PAULO: What is your opinion on the possible creation of a defense ministry?

Flores: The idea of creating a defense ministry should not be categorically rejected. As I have already said, I believe that if a defense ministry is ever created, it should be the result of an evolution in which things have been prepared for that goal. It is not advantageous from a... It is not necessary from an operational viewpoint. Operations between the three branches have gone smoothly and are going smoothly without a ministry. There is no economic pressure either. A defense ministry will not produce a substantial savings and, consequently, there is no urgent need to create one. If the issue is ever raised again, I think we should consider it as part of the evolutionary process. The president, however, has not talked to me about this possibility.

Ribeiro Gomes: I fully agree with Adm. Flores. The Armed Forces are now operating without a defense ministry. This does not mean that the idea has been rejected; its implementation will call for study and analysis, so it may actually improve the operations of the Armed Forces.

Da Costa Monteiro: I want to express my total agreement with Commander Flores, and I would like to say that a defense ministry is part of the administrative structure of a state. At this time, however—despite the fact that many countries do have defense ministries—I do not see an urgent need to create one in Brazil. Even though a defense ministry might be advantageous from some viewpoints, it would be questionable from others. I therefore conclude that an analysis of the possible advantages of a defense ministry would be rather theoretical. Now, if the creation of the ministry is considered a political decision, the Armed Forces will have nothing to say about it. If the decision is made within the framework of the current situation, by those who should make this political decision...

FOLHA DE SAO PAULO: Can Embraer [Brazilian Aeronautics Company] be sold to the private sector?

Da Costa Monteiro: It can. Each privatization process allows several alternatives and choices. Considering Embraer's importance to the Air Force, the country, and the development of sophisticated technology, we believe that if it is sold, appropriate precautions should be taken. I would like to say that the Aeronautics Ministry—through the Aeronautical Technology Institute—has for the past 40 years produced highly skilled engineers. The institute, which charges no fees, has produced highly skilled engineers for society because we understood this was the path that would lead to the development of our own aeronautical capability, with Brazilian technology. This goal has already been accomplished through Embraer. Consequently, we are always very cautious and very careful with anything having to do with an aeronautical industry like Embraer, which is very dear to us.

FOLHA DE SAO PAULO: What are the plans for promoting integration with Argentina? Why don't we withdraw our forces from our southern border?

Ribeiro Gomes: I would say the fact that we have more troops in the southern area is independent of the integration process with Argentina. These troops were not deployed recently; they have been there for years. In our project to restructure the Army, we are trying to improve the deployment of our forces as a function of our efforts to promote integration, which is a target toward which we are working.

FOLHA DE SAO PAULO: The country is undergoing several reforms. Are any military reforms being considered?

Flores: I would like to hear suggestions on the kind of reforms we could make. I frankly believe that our military system is appropriate and that, like everything else, it could be improved. Our system is being gradually improved. As for compulsory military service, it is a political—not a military—issue, because it is provided for in the Constitution. The Armed Forces cannot reject a constitutional provision; they should comply with it.

FOLHA DE SAO PAULO: Until recently, the Armed Forces have been more concerned with internal matters than with external wars. What is your current approach to the issue?

Ribeiro Gomes: The Armed Forces have until recently been more concerned about internal security for reasons with which you are familiar. As for external security conditions, we fortunately have no problems. Despite the fact that Brazil shares borders with many countries, we have no border problems. There is tranquillity in this area. The economic situation is affecting not only the Armed Forces but the entire nation.

FOLHA DE SAO PAULO: Mr Army Minister, have you ruled out the possibility of an intervention by the Army in case of disturbances of public order?

Ribeiro Gomes: No, we have not. I have only said that any such disturbance—when it begins—is a public order problem and that, consequently, state governments should take care of it. It is obvious that all situations should be observed. If the situation deteriorates to the point where the government feels the Armed Forces should intervene, they will obviously comply with the order.

Flores: Article 142 of the Constitution outlines the objectives of the Armed Forces. It states that, at the request of one of the three branches of government, the Armed Forces can intervene to guarantee law and order. There are constitutional mechanisms that guarantee this procedure. Any intervention by the Armed Forces will, therefore, be the responsibility of one of the three branches of government.

FOLHA DE SAO PAULO: Has the U.S. invasion of Panama produced any change in military strategy?

Ribeiro Gomes: That issue does not fall under the jurisdiction of the Armed Forces. It is a civilian issue.

FOLHA DE SAO PAULO: Have the military budgets been adequate? Do you think they should be increased?

Flores: I can assure you that the budgets for the Navy have been very low, especially the budget for this year, which is drastically low. I can also assure you, however, we understand that under the current circumstances, our budgets cannot be any larger. We have to live with this situation.

Riberio Gomes: Right. The Army is in the same situation. We have to manage with the budget that is allocated to us. We are, however, making efforts to receive more funds.

Da Costa Monteiro: As for the Air Force, I can say that this year our budget was reduced by 250,000,000 new cruzados, the largest reduction among military ministry budgets. This situation has deeply affected our ongoing projects. We understand, however, that all of us are members of a large team that must make an all-out effort to work with the budget we have received. This is how we will work.

FOLHA DE SAO PAULO: Should implementation of the Calha Norte project continue?

Ribeiro Gomes: The Calha Norte project is nothing but an extension of the occupation of the border areas beginning in Rio Grande do Sul and then going on to the western border. Now we are in the northern border area. The government has decided to implement this program to populate areas that need people. The Armed Forces have been the instruments for the program.

FOLHA DE SAO PAULO: Is Brazilian democracy an irreversible process?

Flores: The question of whether democracy is reversibile is a problem to be tackled by society, not by the Armed Forces. Military men and civilians are all for making

democracy irreversibile. From a political viewpoint, however, it is an issue to be dealt with by society.

Ribeiro Gomes: I agree. It is obvious that democracy-...should not be merely discussed; it should be practiced. We hope things will be like this.

FOLHA DE SAO PAULO: Do you think that the size of the military ministries should be reduced? The Army apparently has 400,000 troops...

Ribeiro Gomes: Who says that? It is important to clarify that the Army is authorized to have approximately 280,000 troops, but we have around 200,000. Actually, the Army has already been reduced, more than you can imagine.

Flores: The Navy has some 65,000 troops.

Da Costa Monteiro: I would like to give an example to show the extent of the reduction of the Armed Forces. All Brazilian Army troops can be seated in Maracana Stadium, while the Navy and the Air Force troops can be placed on each side of the field. This is the size of the Brazilian Armed Forces. They can all be placed inside Maracana Stadium.

Sarney Receives Satellite Study of Amazon Region

PY2301200690 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 23 Jan 90

[Text] President Jose Sarney has received a study on forest clearing in the Amazon region. The report, prepared by the National Institute of Space Research [INPE] and presented in the form of an atlas, shows that by 1988 250,000 square kilometers of the region's forest had been cleared. The states that show the largest damage are Rondonia and Para.

INPE General Director Marcio Barboza explained the importance of the study that was prepared following a satelline-monitoring system.

[Begin Barboza recording] The study I handed to the president graphically shows the clearing of forests in the Amazon region. The project is part of a larger program on our natural resources that began with the satellite monitoring of our territory. [end recording]

Barboza also reported that a group of French research centers have invited Brazil to help coordinate the mapping of tropical forests throughout the world, work that will probably last 2 years.

Regarding the forest clearing that is done by burning, Barboza said that in a few days President Sarney will receive a complete report on updated data covering 1989. Barboza said that last year the burning of forests in the Amazon region decreased by 30 percent compared to 1988 and that the rains during the year helped considerably.

* Nobrega Surveys Successes, Failures

90ET0072A Sao Paulo O ESTADO DE SAO PAULO Economic Section in Portuguese 26 Dec 89 p 4

[Interview with Minister of Finance Mailson da Nobrega in Brasilia; date, place not given; first four paragraphs are introduction]

[Text] Brasilia—Minister of Finance Mailson da Nobrega will leave his post in 2.5 months, frustrated with his inability to control inflation, but pleased with having established budget unification. In an interview granted to O ESTADO, Mailson assessed his administration, and he pointed out various successes and failures in the course of the 2 years during which he directed the Brazilian economy.

The minister reiterated that as soon as he leaves the government, he will plunge into the writing of a book in which he will detail his assessment of his term in the Ministry of Finance. Mailson da Nobrega plans a book which will attempt to show how difficult it is to control inflation in an economy governed by sectorial departments and with a strong and corporativist bureaucracy.

The book is expected to be put on sale at the beginning of the second half of 1990. Publication will be accelerated, according to the minister, so that its factual interest will not fade. Mailson says that he wants to produce a work which is more journalistic than academic. He is not yet certain whether he will write the book in Brasilia, London, or Washington. He has received invitations from these last two cities to live there temporarily in order to lecture at the universities.

In the interview granted to O ESTADO, Mailson da Nobrega also analyzed the poor distribution of income in Brazil, and he commented on some items in the economic program of the president-elect, Fernando Collor.

[O ESTADO] Since President Sarney and the president-elect, Collor de Mello, have said that there will not be an early inauguration, how do you plan to direct the economy in the next 2.5 months?

[Mailson] The Constitution has taken away from us some tools for economic control, such as fiscal policy. Therefore, we are going to use those which are still available to us—monetary policy, price control through the sectorial chambers, and dialogue with the business sector. The market will absorb the acceleration in inflation which occurred between November and December, and there is no indication that this acceleration will continue in the coming months. Indexing of the economy will continue to serve as a dike to prevent an explosion.

[O ESTADO] Will the government make use of some new measure, or will it change the dosage for some of the present ones, prior to the inauguration?

[Mailson] After several months of frustrated attempts at control, it would be naive to imagine that we could

succeed in implementing new measures. Apart from this, the government is winding down. The National Congress is in recess, and all of the focus is on the president-elect. Those who suggest the possibility of economic packages or a freeze are revealing great ignorance.

[O ESTADO] Do you plan to repeat the strategy pursued in June and October, with intensified talks with businessmen with a view to avoiding hyperinflation?

[Mailson] Last week we met with representatives of the health and sanitation, and electrical and electronic household equipment sectors to reaffirm the policy of price control through the sectorial chambers, with automatic increases based on 90 percent of the earlier rate of inflation, and gradual correction where there has been lack of synchronization. This week, we will meet with other sectors—paper and cellulose, for example. I am asking businessmen to cooperate to block the anticipated inflation.

[O ESTADO] Mr Minister, the month of January is traditionally one of inflationary acceleration. Do you fear this?

[Mailson] I do not fear any of the more pessimistic scenarios drafted by the staff script writers. Some economists have been predicting chaos for 14 months now, and they have been mistaken. They invent phrases like "repressed hyperinflation," and they predict catastrophe for the coming months, and then the next, and so on. When they see that they were mistaken, they begin to say that the government listened to their advice and thus managed to avoid the worst. What I foresee prior to the installation of the new president is high inflation. We will experience very difficult days until then, but the economy will continue to function.

[O ESTADO] How do you explain the constant errors made by the economists in their predictions for the Brazilian economy?

[Mailson] Some days ago I met with economists Andre Lara Resende and Persio Arida, and we commented on the continuing errors in the economists' predictions. Both of these individuals noted that we are living today the most optimistic scenario drafted at the middle of this year, when we were facing a period of rapidly accelerating inflation. This scenario called for high inflation, with the economy functioning, with unemployment at an acceptable level, and with the presidential election occurring without any trauma. Other predictions were darker, calling for social chaos, the collapse of the supply structure, a foreign exchange crisis, and inflation at 500 percent per month.

[O ESTADO] What impact will the statements of the president-elect have on the economic transition?

[Mailson] The statements made by the president point toward a liberal government program. In the majority of the opinion sectors including businessmen and economists there is an awareness of this, and it will contribute to maintaining a certain level of expectations and avoiding the further aggravation of the pessimistic predictions.

[O ESTADO] But is this enough?

[Mailson] It is not enough. What is needed is for the president-elect, or if not he, at least his leading advisers, to begin to send society the proper messages, little by little.

[O ESTADO] You are very cautious in commenting on the statements by the president-elect.

[Mailson] I do not believe that it would be correct for government authorities to comment on what the individuals who will serve in the next administration say. Or for them to comment on what we are doing at this delicate stage. There should not be the slightest risk of a clash of viewpoints at this most delicate time. Anything could exacerbate the expectations.

[O ESTADO] The president-elect has admitted that he will have to deal with a recession, even if it is only a brief one. Do you believe that a recession is inevitable?

[Mailson] The recession resulting from a process of adjustment will be less serious to the degree that the capacity evidenced by the government to mobilize society in support of an income agreement, taking into account the past development of wages, prices, and profits, is greater. Nowhere in the world is there an instance in which it has been possible to reduce inflation rapidly solely by means of an income policy. This has only been successful for short periods, as in the experiments with the Cruzado Plan, the Bresser Plan, and the Summer Plan. And since they were not accompanied by orthodox fiscal adjustment measures, they failed.

[O ESTADO] You failed with the privatization plan, which is an important point in the program of the new government. What were the difficulties which hindered this program?

[Mailson] A great lesson we learned was that the desire of a group of individuals within the government, or the president of the Republic himself, to implement a privatization program is not enough. It is necessary to mobilize the political sector and public opinion, because this is what the state enterprises vulnerable to privatization are doing. In addition to this, there is an attitude opposed to privatization in this country. The Brazilian political sector basically favors state involvement, believing that the state can provide a solution to all problems, and it reacts forcefully against any privatization effort. Obviously, there are some exceptions.

[O ESTADO] How do you view the issue of income distribution in Brazil?

[Mailson] The inequality which exists is the great stain on Brazilian society today. Brazil is one of the countries in the world with the greatest inequality, with the greatest concentration of income on the personal and

regional levels. This situation cannot be tolerated in the long run, because it will undermine the foundations of minimal social support and of any government programs, and could become a threat to our institutions.

[O ESTADO] Do you believe that the new government should establish the foundations of a new income distribution plan?

[Mailson] Not only that, but it must also make a proper diagnosis and adopt the necessary measures, if the support of the National Congress can be obtained. After 2 years in the Ministry of Finance, I am persuaded that the main factor in the concentration of income in Brazil is departmental control and corporativism. We have lagged behind in the industrialization process, and a number of years ago, we had to create mechanisms to protect our newborn industries. But we were not wise enough to eliminate that protection at the proper time. And thus we created oligopolies and monopolies throughout our economy, and they are now at the base of our distribution problem.

[O ESTADO] Can you give us an example?

[Mailson] There are many—all of the sectors under the price controls of the sectorial chambers. There are extremely powerful oligopolies in the health and sanitation and automobile sectors, especially with regard to automotive parts. These sectors continue to pass on all costs, especially wage costs, to their prices, and to impose any margin of profit they want on the consumers.

[O ESTADO] And what would be needed in order to put an end to this situation?

[Mailson] Without the slightest doubt, an opening up of the Brazilian economy. Capitalism is the economic system which has had the greatest success in the past 400 years, because this system, throughout this development, has managed the so-called contradictions pointed out by Karl Marx through the process of competition, absorbing the increase in costs resulting from the advances made by the workers and from competition. The enterprises have had to adapt by following the only possible path—increased productivity and efficiency. But here in Brazil, the enterprises were aided by customs protection, price control itself, and effective competition. They resolved the conflict by means of inflation and concentrating income to the benefit of capital.

[O ESTADO] Have you tried to remedy this?

[Mailson] We have tried, and we have achieved something. We effected two customs duties revisions, initiating a process of gradual reduction. Together with the Ministry of Industry and Commerce, we launched a new industrial policy which somewhat reduced the level of state intervention in the economy.

[O ESTADO] When you took office in January of 1988, Brazil had declared a moratorium. Now we are behind on the interest payments. Will you surrender your ministry, where the foreign debt is concerned, in the same condition as you found it?

[Mailson] There is a basic difference. In 1988, we encountered an atmosphere of confrontation with our creditors. Former minister Bresser Pereira had already begun a kind of detente, with a provisional agreement. I continued with this strategy, making some changes in direction and moving us toward the normalization of relations. The attitude of confrontation damaged Brazil's image abroad, and threatened negotiations which were important to the country. We succeeded in changing this atmosphere. Brazil has managed to reestablish its credit with the official credit agencies.

[O ESTADO] But there were no negotiations to reduce the debt....

[Mailson] Our progress was interrupted by the failure of the adjustments in our economy. The new Constitution did away with the possibility of carrying out an economic program. We are handing on a situation similar to what we took over, where the lag in payment is concerned, but not as a result of a strategy of simply refusing to pay. The difference is that for us, the moratorium has had to be imposed by the facts, rather than being a question of principle.

[O ESTADO] Governments change, but the Constitution continues to be the same. Based on what you say, it is not possible to correct the economy without changing the Constitution.

[Mailson] I do not say that this will be impossible, but it will be very difficult. It is necessary to redefine the role of the state, with privatization, and participation by the private sector in areas which are now the responsibility of the government. Market reserves came to be constitutional mandates, as did the data-processing, telecommunications, and mining sectors. There is a peculiar thing in the Constitution—the limitation of interest rates to 12 percent per year. Brazil is the only country in the world which has such a provision written into its Constitution. Moreover, it has brought into public administration a real calamity—the possibility of distorted uses of the principle of equality. Things are deemed equal which are only similar. The Constitution gives the judicial branch the authority to establish its wages, without knowing whether the executive branch has the funds to cover them.

[O ESTADO] What advice would you give the future minister of finance?

[Mailson] First of all, he should speedily learn the lesson which it took us a long time to learn—that the country is different. The minister of finance is no longer the king of the medieval era who could do anything. With one simple stroke of a pen, he could provide incentives, credit—in a word, he could resolve any problem with which he was faced. Secondly, he must have a great

capacity for reaching an understanding with the Congress in order to obtain approval of his proposals. And finally, he must be humble enough to understand that the government is not infallible. To understand that there must be, prevailing over him and all his dealings, great clarity, which is basically the great protection which Brazilian society enjoys today. Nothing is done in the realm of expenditures without the knowledge of the Congress and the Federal Accounting Court. Oh, I was forgetting—my successor must be prepared for very great fatigue. I also hope that my successor will stay in his post for 5 years.

[O ESTADO] Is a ministry of economy the solution, as the president-elect claims?

[Mailson] I do not know very well what such a ministry would be like. But a ministry which includes, in addition to finance, planning, industrial development, a part of internal affairs, and a part of social security would be a powerful ministry, but one very difficult to administer. However, I believe that there is an assumption of decentralization behind this idea. If this is the case, with the reduction of the authority of the public administration, I believe that it could work out. This would be a ministry of economy which would be more or less the same size as the Ministry of Finance is today.

Three Victories and Three Defeats

Minister Mailson da Nobrega will hand on to his successor an economy with inflation exceeding 50 percent per month. Even so, in evaluating his own administration, he can report some victories in the war he lost against inflation. But he also took the initiative in pointing out the failures.

The worst of the failures was the disastrous effort to bring down inflation and to deal with the imbalances in the economy by means of the Summer Plan, which was launched in January. "We did not have the support of the Congress," the minister complains. Today, he is diametrically opposed to the idea of a new shock for the economy designed to combat inflation. He believes that society is braced against a further shock, and would immediately counteract its effects.

"We planned to carry out a major program of transfers to the private sector, but we got nowhere," the minister of finance admits in discussing what he regards as his second major failure as a minister. In this instance, he shared the failure with his colleague in Planning, Minister Joao Batista de Abreu.

Mailson believes that the new government, which also promises to review the role of the state and to transfer some state enterprises to the private sector, should plan to undertake a great mobilization of public opinion in support of these ideas. If it does not, it will fail.

The tax reform effected at the Constituent Assembly, which transferred funds from the Union to the states and municipalities, was, the minister says, a serious historic error. And what was his responsibility in this? He was unsuccessful in getting any response to his warning to the Congress. The Union lost its capacity to exert an effect on regional inequalities, and is now without the funds even to finance the farm harvests of the small producers. In his view, the great beneficiary of this reform was the state of Sao Paulo.

The Triumphs

The unification of the federal budget, in the opinion of this minister, was a great step toward providing the country with the operational and administrative conditions needed if it is to exercise strict control over its expenditures. Until 1987, the federal budget was divided into a monetary budget, a tax budget, and a budget for the states. Now there are only a federal budget and one for the states. The earlier situation allowed the executive branch to manipulate the expenditures of the government as it saw fit. "This was a lengthy obstacle course, and along the way Mailson was charged with betraying the Bank of Brazil," the minister says, referring to the battle waged to bring about the unification which has now been incorporated in the Constitution.

The unification of the payments portfolio as of the first of January is another of the victories noted by Mailson in his assessment. For the first time, it will be possible to know how many payments have been received. Those who benefit from double compensation will be caught by the computers.

The great debate about the role of the state in the economy was an electoral campaign issue, and it is included in the program of the president-elect. "We have made our position clear in all the documents and at all the meetings in which we have participated," the minister says. He shares this triumph with Batista de Abreu.

Chile

Junta Approves Municipal Charter, Other Bills

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[Text] During a regular session at the Diego Portales building, the government junta today approved the constitutional municipal organizational charter, which empowers mayors to call for referendums on some community matters. As for the designation of mayors by the president, Admiral Jose Toribio Merino said the junta took into account the proposals of the Coalition of Parties for Democracy.

[Begin Merino recording] The junta approved a constitutional organic charter on municipal referendums. The charter introduces several modifications to the law of municipalities in the area of elections, municipal referendums, functions of the CODECO's [Community Development Council], and the designation of mayors by the president. The modifications were requested by the Coalition of Parties for Democracy. [end recording]

In addition the government junta approved a bill eliminating the post of attorney general, which is currently held by Ambrosio Rodriguez.

The junta also approved bills on Armed Forces property, on the construction of monuments, on the exemption of interests accrued on the sale of government-owned movables, and on some social security provisions dealing with disability.

Adm Merino reiterated that the junta will continue its legislative work until 30 January, adding that in the next sessions, the junta will analyze bills on CODELCO [Copper Corporation], the judicial branch, and other subjects.

* Post-Election Political Situation Viewed

* Aylwin Interviewed

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[Interview with President-elect Patricio Aylwin by Raquel Correa: "In the Hour of Triumph"; date and place not given; first six paragraphs are introduction]

[Text] In the street, a crowd of Chilean and foreign journalists and mobile radio and television broadcasting units. It has been just a few hours since the elections were over, and inside is the next president of Chile.

"Dona Leonor" is in the dining room with carabineros [policemen], planning for her security. She is reluctant, but she has to accept it.

In the study, Aylwin is finishing up a brief press interview. Maria and Susana, in their sky-blue uniforms, do the usual household chores. One begins to smell the aroma of the lunch that is being prepared. Francisco Aylwin, the youngest of the next president's five children, organizes the visits; he is so calm, it's unbelievable. And he shows people the work that is being done on the house next door. Two teachers, their faces radiant, are painting the vine arbor. The number-two living room is already carpeted, nearly ready, as is the causeway between the two houses. On the back patio, "Don Patricio" will realize a little dream he has always secretly had: to have a ping-pong table.

He looks happy, as is to be expected, but exceptionally serene. Last night, the night of his election victory, he could not turn off the lights at midnight as he usually does. His children and friends and the political leaders "hung around until about 3:30 in the morning."

His enormous hands are impressive. One's attention is drawn to that mark in the middle of his square chin: a kind of "v."

He sits in a little armchair next to a picture of himself and Pope John Paul. Then he places beside it a picture of President Frei.

[EL MERCURIO] Here, in your study, you are in charge. Where else will you be in charge now?

He laughs. Aylwin is 180 centimeters tall. "But last night, when my oldest grandson hugged me, I realized that he is taller than I am."

"Well," he answers, smiling in his usual way. "I hope to be in charge of the country."

[EL MERCURIO] How would you describe your deepest feelings in the last few hours?

[Aylwin] On election day I was near here, at Las Vizcachas. I had gone swimming for a while in the morning, and I took my nap....At around seven in the evening I had the first feeling of triumph, when the first calculations confirmed the obvious trend....

[EL MERCURIO] And what did you feel?

[Aylwin] Conflicting feelings. On the one hand, tremendous joy, and on the other hand, the weight of the responsibility that was falling on our shoulders ....Emotion has a curiously mixed effect on me. You can cry out of grief or out of joy....

[EL MERCURIO] And did you cry on 14 December?

[Aylwin] I didn't cry...but I was a little broken up.

Run-off

[EL MERCURIO] Getting into the matter of politics, were you satisfied with the percentage you won? Was that what you expected?

[Aylwin] I told you last week that I expected between 55 and 60 percent. I won't deny that I would have liked to get a little more. But this is a very significant result. A very categorical victory.

[EL MERCURIO] Did it really never cross your mind that there might be a run-off?

[Aylwin] Well, you can't fail to consider the possibility. I shuddered at the possibility of a run-off, both because of its political significance and because of the need to extend the campaigning for another month. This is really very draining.

[EL MERCURIO] Politically, why did it make you shudder?

[Aylwin] Because I think the situation would have gotten very polarized, and that does not facilitate the road to democracy.

[EL MERCURIO] What role would you say Errazuriz ended up playing in this election?

[Aylwin] I would say that he was like a buffer.

[EL MERCURIO] From whom did he take votes? According to the results, Buchi and Errazuriz together got the same percentage as General Pinochet did in the October plebiscite....

[Aylwin] I think he also took votes from me. I think that without Errazuriz, the ratio between Buchi and me would have been 40-60. We have a lot of precedents of districts in which we expected more votes, and in which Errazuriz won a goodly number of votes.

[EL MERCURIO] When he acknowledged defeat, he called upon his supporters to form a new party. What do you think of that?

[Aylwin] I would like to emphasize the gesture that both candidates made by visiting me and acknowledging the results of the elections. As I said in my impromptu speech that night, this means a return to the old republican traditions of our homeland. Errazuriz spoke to me very enthusiastically about his idea of forming a center-center party....

[EL MERCURIO] And what did you answer him?

[Aylwin] I told him that anything involving organizing public opinion in large sectors that represent clear tendencies and that express the prevailing desire for moderation in this country is a positive development as far as I am concerned.

[EL MERCURIO] And isn't the Christian Democratic Party [PDC] occupying the center...?

[Aylwin] Well, the Christian Democratic Party has its own individuality, and I think it emerged from this election in a very good position.

[EL MERCURIO] What is your view of the results of the parliamentary elections, as a Christian Democrat?

[Aylwin] I am very happy with the votes my party won, and I am very saddened and grieved by Juan Hamilton's loss in Valparaiso. In contrast, I was very pleased with the victory of my friend Mariano Ruiz. I am also sorry that Adolfo Zaldivar lost.

[EL MERCURIO] Were you surprised at Maximo Pacheco's victory in Region VII?

[Aylwin] No, I already had information from that area....Remember that I was a senator for that region, elected for two terms. Although I was born in Vina del Mar, I always considered myself to be from Maule. I used to spend my summers in Constitucion, and I was a senator from there because of my family ties in the Maule area. I feel that Maximo is my successor there.

[EL MERCURIO] But you won't try to undertake agrarian reform again....

[Aylwin] No. We will not try agrarian reform in Region VII or anywhere else. I was not at all surprised by Maximo's victory; in fact, I am very gratified at how many votes I won in Talca. I think it reflects some of the affection they still have for me in that area.

Ricardo Lagos

[EL MERCURIO] Have you been thinking about Frei?

[Aylwin] Of course I have been thinking about him.

[EL MERCURIO] What do you think he would have said to you today?

[Aylwin] If Eduardo Frei were alive today, he would most likely be the presidential candidate, not I....He had a major influence on my life. After the defeat of '58, when I had a technical post in the party, Frei called me and said, "Look, Patricio, you should be the future president of the party. And we are going to make a great party, and we are going to bring together what used to be the Agrarian Labor Party (Padena [National Democratic Party]), and we are going to work for the future. Our party must be led by a person of your qualities."

[EL MERCURIO] Getting back to the election results, you were saying you were pleased with the Senate seats won by your party.

[Aylwin] Sure. Thirteen senators are Christian Democrats. And altogether the CPPD [Coalition of Parties for Democracy] won 22 Senate seats. But I am very sorry that Ricardo Lagos lost.

[EL MERCURIO] Do you think it's a "political disaster" that Lagos will not be a senator?

[Aylwin] I don't think it's a disaster; I am convinced that Ricardo would have played a great role in the Senate. I think that his presence in the Senate would have been very important from the political point of view.

[EL MERCURIO] It is assumed that both in the CPPD and in the Senate you will have an ongoing problem as president of Chile....Do you see it that way, complicated, or do you think that as chief executive your relations with your political allies will be a piece of cake?

[Aylwin] No. Nothing is a piece of cake in politics. Undoubtedly, when you have a combination of different parties, there are agreements and there are conflicts. That is natural; it is part of political life. But I think that among us there is a willingness to stick to our agreements. That is in everyone's interest. On the afternoon of 14 December Ricardo Lagos came to congratulate me, and he told me that it was clear to him that the success of my government would be everyone's success, and the failure of my government would be everyone's failure. And I believe that.

[EL MERCURIO] Your opponents contended that you would pave the way for the Socialist Ricardo Lagos to become president, just as Eduardo Frei paved the way for the Socialist Salvador Allende. With Lagos no longer a key player on the political scene, don't you feel that a weight has been lifted from your shoulders?

[Aylwin] I don't think Ricardo Lagos has ceased to be a key player in politics. He is still president of the Party for Democracy [PPD], and he has an important role in Chilean politics, whether he is in the Senate or in some other function, or simply a political leader.

[EL MERCURIO] Do you plan to offer him a post in your government?

[Aylwin] Oh (he laughs), you know I'm not going to answer that! That is something we will have to decide at the appropriate time.

DC Heart

[EL MERCURIO] It was clear to all political observers that a kind of struggle for hegemony was going on between the Christian Democratic Party and its Socialist allies. That rivalry, conflict, or contest....

[Aylwin] I prefer the word contest.

[EL MERCURIO] Who won the contest on 14 December?

[Aylwin] At this stage, at least, it is clear that the Christian Democratic Party is ahead. And I think that in the future the Christian Democrats have a tremendous responsibility to maintain that leadership among the forces that support the government.

[EL MERCURIO] You use the term "leadership." Wouldn't you say hegemony?

[Aylwin] No. I truly believe that the Christian Democrats have learned their lesson. At least it is very clear to me. Besides, I have a commitment to all the parties in the CPPD, and they know I will be true to that commitment.

[EL MERCURIO] Beginning in March, as president of the Republic, won't you be wearing a Christian Democratic T-shirt?

[Aylwin] My heart is with the Christian Democratic Party, and that will never be taken away from me. But I have proven that I know how to use my head to control the impulses of my heart.

[EL MERCURIO] What political conclusion do you draw from the fact that the Broad Party of the Socialist Left [PAIS] won so few parliamentary seats?

[Aylwin] Although I have not had time to study them carefully, to me the election results reveal a clear tendency toward moderation on the part of Chileans. The extremes are growing smaller, and the center is expanding. That was already obvious in the prior conduct of the parties themselves. The right, as I was telling you the other day, does not claim to be rightist but center-rightist; the Party for Democracy is shifting toward the center and is challenging the Christian Democratic Party for the center constituency. Errazuriz' success, to a certain extent, is due to his center-center label. And that trend toward moderation is manifested in the lowest results of the PAIS, on the one hand, and of the Independent Democrat Union [UDI], on the other hand.

[EL MERCURIO] Don Patricio, on the night of the 14th you made an appeal to the losers, and the crowd jeered. What does that show?

[Aylwin] Part of the crowd jeered. But when I reiterated the appeal, they applauded. The same thing happened to me at one point in my speech in the park last Sunday. At that type of rally, the people in the front row tend to be the most passionate, the most vehement. I am issuing a call for reconciliation, for harmony, for respect for others, and I will not deviate from it. I will persevere on that because I believe that only by overcoming hatred and rancor and division can we Chileans, friends and enemies, forge ahead.

[EL MERCURIO] Manuel Feliu, president of the Chilean businessmen, congratulated you on your day of victory. Don't you think that businessmen are expecting some changes in the economic plan of the CPPD? Are you willing to modify points such as the increase in the first-category tax?

[Aylwin] I will not change....

[EL MERCURIO] Not one iota, even for a million supporters...?

[Aylwin] No. I will not change what I consider to be necessary for the country. I will try to govern by seeking agreements, major agreements. I think the government's relations with businessmen are very important, and I am pleased with the signs that have been seen in recent days in the stock market, in the price of the dollar, in the business world in general. These are signs of the stability of our economy and of confidence in the future. I am pleased with Feliu's proposal, and I do hope to forge agreements between labor and management and to define government policies by listening to both sides.

[EL MERCURIO] But don't you think that the economy will be slowed down if the first-category tax is raised from the current 10 percent to 15 or 20 percent, as you have announced?

[Aylwin] As things stand now, if businesses reinvest their profits, they don't pay anything.

[EL MERCURIO] Exactly, and that, according to them, is what stimulates the investment that creates jobs and economic development.

[Aylwin] In developed countries, the tax on profits ranges between 35 and 60 percent. We propose to raise the current 10 percent to 15 or 20 percent, maintaining the incentive for reinvested profits.

[EL MERCURIO] You will also take another look at the brackets of the overall complementary tax, which would affect not only businessmen but also those who live on wages and salaries....

[Aylwin] Only the intermediate brackets will be studied; the minimum and maximum brackets would not be changed.

[EL MERCURIO] But in practice, that will mean that the pay of many Chileans will actually go down....

[Aylwin] Look, in a country where some people are going hungry, it seems to me necessary and fair for those who earn more to contribute a little, somehow. It is a contribution to justice and social peace. In countries like the United States and Germany, which have free market economies, personal income taxes are also progressive....

[EL MERCURIO] But those who advocate a free economy believe that taxes hamper growth....

[Aylwin] In developed countries with free economies, the tax rates are considerably higher than ours. In my view, taxes don't hamper development, they hamper sumptuousness, conspicuous consumption, the affront of lavish spending while others starve to death. And it is such a small contribution....For example, I have never paid less in taxes than in these years. And it embarrasses me.

[EL MERCURIO] Do you have a statist mentality, even though you have come out in favor of the social market economy?

[Aylwin] No (and his face clouds over, as when he is irritated, but as always, the displeasure does not last long). It is not a question of a statist mentality, but rather one of solidarity. When the Pope was in Chile, he told us that solidarity is shown not only by creating new businesses; it is also expressed in the contribution that those who earn more make to those who earn less.

[EL MERCURIO] As for the foreign debt, in your platform there is language about admitting "the impossibility of servicing it while also meeting the populace's income and consumption needs."

[Aylwin] We must renegotiate the foreign debt on better terms.

[EL MERCURIO] No more prepayments?

[Aylwin] Making prepayments under our country's circumstances strikes me as irresponsible. In my view, that practice is more an indication of the obsession with "balancing the books" than of a desire to solve the specific and urgent problems of the neediest.

[EL MERCURIO] A week before you were elected you said that your first measures would be to raise minimum wages. That also worries producers....

[Aylwin] We are thinking of a moderate and realistic readjustment. Don't forget that the Economic and Social Council itself proposed some time ago to set the minimum wage at four monthly Tax Units. I have talked with a great many businessmen, and I have not met one who has told me that a moderate increase in the minimum wage will force them to shut down and lay off their workers. I was very restrained during the campaign; I did not make demagogic promises. And I was very explicit about my thoughts and plans, so that no one would be misled.

Difficult Matters

[EL MERCURIO] What do you think will be the greatest obstacles or difficulties for your government?

[Aylwin] First, civilian-military relations—the need for them to play their traditional role in a democracy. Second, the matter of human rights. And third, the risk of the explosion of unsatisfied expectations on the part of the social sectors.

But, as a good politician of moderation and consensus, he has faith "in the professionalism of the Armed Forces, which must be an instrument of political power and of national unity."

"National reconciliation entails truth, justice, and forgiveness. No revenge, institutional persecutions, or witch hunts."

[EL MERCURIO] Do you think that the amnesty produced not reconciliation but impunity?

[Aylwin] Exactly. And I am not willing to condone impunity.

[EL MERCURIO] One of the most controversial points of your platform has to do with the pardon of those accused of political crimes. Do you plan to pardon those who were condemned to death by the trial court for the attack on Pinochet, in which five of his bodyguards were murdered?

[Aylwin] The presidential pardon is not appropriate before there has been a final judgment. That process has not been completed. Besides, a pardon can be either a cancellation or a commutation of the sentence.

[EL MERCURIO] Suppose they were sentenced to death. What would you do?

[Aylwin] The only thing I can tell you is that for philosophical reasons, I am opposed to the death penalty. And when we talk about political crimes, we are distinguishing between violent crimes and actions such as illegally entering the country or belonging to an illegal association, some of which I consider to be mere political crimes. We are not talking about violent acts.

[EL MERCURIO] What about smuggling weapons: Would you consider that a mere political crime?

[Aylwin] I would tend to consider it a terrorist crime.

Go to the Mountain

[EL MERCURIO] What are the next steps you plan to take with respect to the Pinochet government?

[Aylwin] At this time I think it is premature to make any announcements in that regard. I should wait a few days, don't you think? Now, my attitude is the same as it was when I sought an understanding for constitutional reforms last July, and for the designation of the Central Bank Board of Directors. I am anxious to seek consensual formulas that guarantee recognition and respect for the dignity of each person, so that the transition process will be easier.

[EL MERCURIO] To achieve that objective, does Caceres seem to be the ideal person to deal with? Or do you think that at this point the interlocutor should be someone with a few stripes on his sleeve?

[Aylwin] (Laughs) I think that Minister Caceres is a good interlocutor, but he should certainly not be the only one.

[EL MERCURIO] Are you thinking of someone in the military? Or are you contemplating talking directly to Gen Pinochet?

[Aylwin] Well,...I think the time will come when I will have to talk to the chiefs of the Armed Forces. Although I am not formally president-elect until the Election Certification Tribunal declares that I am. Since that takes time, I can't sit around waiting. Everyone recognizes the fact that I have been elected president of the Republic.

[EL MERCURIO] Were you expecting the official recognition of the government Thursday night?

[Aylwin] It seemed elementary that the government would do that.

[EL MERCURIO] Were you expecting a visit from some emissary or official of the government?

[Aylwin] To be honest, I had hoped for a gesture....

[EL MERCURIO] Who did you think would pay you a visit?

[Aylwin] Not necessarily a visit, but a phone call, at least from the minister of the interior.

[EL MERCURIO] But you were very hard to find that day....

[Aylwin] No. Anyone who wanted to communicate with me did so. Even presidents of distant countries were able to track me down....

[EL MERCURIO] If you had a chance to talk to Pinochet today, what would you say to him?

[Aylwin] I would tell him the same thing I have always said: that I hope to talk to him at the appropriate time....

[EL MERCURIO] Will you take the initiative, or will you wait for him to do it?

[Aylwin] Well, I think the time will come when, if the mountain has not come to me, I will go to the mountain.

[EL MERCURIO] Are you adamant about taking office on 14 March, instead of the 11th?

[Aylwin] Yes. As I have said, I am not going to begin my government by disobeying the Constitution. In a few days we will request the opinion of the Constitutional Tribunal on the matter.

"The President's Men"

[EL MERCURIO] You don't want to reveal the names of the future members of your government.

[Aylwin] No. I will reveal them when they take office.

[EL MERCURIO] In any event, who are your "right-hand men," the ones you most want to have as advisers? Name 10.

[Aylwin] Well, I can mention a few names of people, but without matching them to offices. In the strictly political sphere, I would say that Enrique Silva Cimma, Enrique Krauss, Enrique Correa, and Ricardo Solari have been very decisive throughout my campaign, without detracting from or minimizing the role played by other people who also worked very closely with me. In the area of economics and general planning, Edgardo Boeninger, Sergio Molina, Alejandro Foxley, Carlos Ominami. In other spheres, German Riesco. I would also mention, depending on the field, Eugenio Velasco, Mario Papi, Gutenberg Martinez, and Jorge Arrate. Well, there you have more than 10 names.

[Box, p d2] "I Don't Consider Myself a Messiah, or Anything of the Sort"

If there were political awards, Aylwin would have no more room for medals on his chest. The president-elect is a veteran of this war, which has enlivened public life in Chile over the last few decades. A medal for each time he was elected president of his party: seven. One for each time he was elected to the Senate: two. Another for serving as president of the Senate. A few for being a protagonist in historic dialogues: with Allende, in 1973, with the Military Government later on. For the latter, he would be applauded by some and excoriated by others. The most recent ones, for being spokesman of the CPPD, a preliminary presidential candidate, and a candidate in arduous battles, with injuries and casualties, would also be controversial. But he would agree with all of them, because, as he often says, he has always acted according to his conscience and for the good of the country.

Without Fear

They say that those who are destined for greatness are born with a star on their forehead.

In fact, Aylwin did not seem to have such a star. He is not, at first glance, a charismatic person. One has to get to know him, listen to him, and above all, get used to his style.

"As wholesome as apple pie," he was described years ago by Eugenio Lira Massi. And he irreverently described his voice as "clear, shrill, lilting, piercing, just right to be a sacristan, to say the rosary."

The ingenious and irreverent Flaco Lira would not recognize him today. He has worked on his voice and his mannerisms, and has even managed to wipe off that smile he used to have on his face at all times, which gave him an air that was paternal but too soft for the president of the Republic. He confides that he gradually improved himself almost unconsciously as he saw his image on television.

"I also have good advisers who point out my defects," he admits candidly. "And they told me that I appeared to have a nervous tic."

Calm by nature, he is one of those people who do not get worried or upset about the future. A thoughtful man, he takes his time about making decisions. Once he does make a decision, it is difficult—"impossible," say some advisers—to get him to change his mind. Unless he is given "too many good reasons."

A gentleman with chivalrous ways, in spite of all the formal transformations he still retains his personal stamp; he is more like a professor than like a sacristan, although he is quite pious.

He leads a simple life and has modest tastes. Without a doubt the place where he feels more comfortable than anywhere is his own home, surrounded by his wife, Leonor Oyarzun, his five children, and his 11 grandchildren. When he can—and it's been some time since he was able to go—he likes to go to his house in Algarrobo, where he walks for hours. In the summertime, on the other hand, he prefers to vacation in the south.

An avid reader, in his home he has a study with books on law and politics. It looks like a little sanctuary: family photos and pictures from his public life. In the forefront is the official portrait of President Frei, with an affectionate dedication. Woe unto him who removes anything from its place! In the rest of the house, the person in charge is "Dona Leonor," an intelligent woman who is shy with strangers, firm in nature.

This house at 3684 Arturo Medina, where they have lived for more than 30 years, is an accurate reflection of the personality and tastes of the Aylwin-Oyarzun family. That is surely why they protested loudly when they were told it would be better to move somewhere bigger and more secluded, for security reasons.

[EL MERCURIO] What do you plan to do with the Lo Curro mansion, which was built for the presidents of Chile?

[Aylwin] Those matters can wait. At any rate, we will continue living in this house....And I understand that it was transferred to the Defense Ministry.

[EL MERCURIO] Some have suggested that it be turned into a monument to the 16 years of Pinochet's rule, that a "museum of the dictatorship" be built there.

A vehement supporter of reconciliation and consensus, his response is significant: "Look, frankly, I am not in favor of stirring up much of those 16 years. The less, the better."

In any event, when they expand the house next door (which they lease to a retired military officer), there will be not only more room but also better security.

"Now," says Aylwin, "I don't have to get out of the car in the street, as I used to."

This is all "a luxury" for this middle-class attorney who is happy that he was able to become "well off."

"The years that were best for me financially were between 1952 and 1962. Then I devoted all my time to practicing my profession. In the morning I would teach my classes, in the afternoon I would go to my office, and afterwards, from 7 to 8, I would work for the party. I worked in the Technical Department of the Christian Democratic Party, and I also ran the university committee at that time."

[EL MERCURIO] Frankly, don't you fear for your life?

"All the houses nearby are already registered," he says jokingly, and adds very seriously: "I am not afraid. Honestly, I'm not. But I am aware that the danger exists....I am one of those who believe that duties build character. My lifetime experience has been that when I have held positions of great responsibility, thank God I have been able to keep up with things. And things come naturally to me, without forcing myself, although sometimes I have to face demands that, if I had thought about it coldly and rationally, I would have had serious doubts before taking them on. And now I am taking on this responsibility, with all the burdens, risks, and sacrifices it entails."

[EL MERCURIO] Becoming the first president after the military regime, doesn't that make you feel a little like a hero?

[Aylwin] No. This is the work of many people. It is the will of the majority of Chileans. And I don't consider myself a Messiah, or anything of the sort. Providence has given me this responsibility, and I am confident that I will be up to the challenge.

Profound Justice

In any case, his long road to La Moneda was not at all easy. Many coincidences had to happen in his life and in that of the country to bring him to this point.

Indeed, this veteran of politics launched his career with a defeat that would have discouraged anyone. It happened 40 years ago, when he was a Falangist deputy candidate in San Bernardo, his "home town."

Digging around in his past, there is no evidence of any political vocation. "There was, however, a lot of social concern." He was extremely concerned about issues such as social justice, poverty, the plight of the workers.

During his days as a law student at the University of Chile, he underwent a crisis of faith. At that time, he was on the verge of becoming a socialist. He worked for Don Pedro Aguirre Cerda, and engaged in endless conversations with fellow students Clodomiro Almeyda, Carlos Altamirano, and Felipe Herrera. They would participate in forums with the future attorneys of the Catholic University. It was in this way that, "providentially," listening to Leighton and to Frei, and passionately reading Maritain, he resolved his religious crisis and his political doubts. And he became a Falangist.

He taught administrative law at the University of Chile and Catholic University, and civic education at a secondary school. Until he felt that a lightning bolt struck him:

"I was actively practicing law and teaching, and I was an adviser to the Bar Association, when I became convinced that the profound problem of justice is not solved in the courts or by refining the law. In a country like Chile, if one wants justice, one has to participate in public affairs."

Now, after so many incarnations, he faces a reality that he didn't even dream of a little over a year ago, he says.

"The common task is to consolidate democracy. One man, one party, or one coalition of parties is not enough to achieve this. It is a task that all Chileans must undertake. We must bring about a democratic country that will develop peacefully, with respect and social justice."

And he concludes: "My mission is to join forces and to inspire the enthusiasm even of those who have been my adversaries."

* Aylwin's Situation Analyzed

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[Text] How to placate a right that has a presence in Congress, and a diminished left that is still part of the CPPD [Coalition of Parties for Democracy]: Aylwin will have to use his most potent political weapon, bargaining power.

The new leader is resting. He left on Monday the 18th with his wife Leonor for a place near Santiago, Jose Luis Moure's farm in Lampa. To be sure, he will spend Christmas with his family, in the same house where he has lived all of his life. But watch out, because first he will have to make a lightning visit to the capital. This Thursday the 21st, he has an important meeting scheduled with Pinochet. This is the meeting that was arranged after the general had his Minister Caceres deliver Aylwin a letter. Then, they say, he will head south...to return with the names of his new cabinet. As far as anyone knows, Aylwin wants to include in his cabinet technicians who are not in the leading ranks of the parties in the CPPD. His objective is to have the men holding responsible positions in the Executive meet one criterion: giving priority to rising above partisanship. Nevertheless, some people assume that after the debacle of the left, it will ask for a few "consolation prizes"...in posts that are not so strategic, of course.

Thus, the Aylwin family has quickly returned to normal. His son Francisco, an indefatigable companion to his father during the campaign, has returned to Channel 5, where he has been a reporter since 1987. The efficient "Panchito" took a leave of absence from August to 15 December to work in the campaign. On Monday the 18th he reported for work to his boss, Enrique Evans, director of the program "The Stock Market Today." And as luck would have it, the first person to give him an effusive welcome was none other than the president of the Stock Exchange, Pablo Irarrazaval.

Meanwhile, the parties have been overloaded with work. The meetings have been more prolific than ever. Form a new government, keep the CPPD together, negotiate with the right, and reach agreements with the Armed Forces: These are the issues under study.

For this reason, it is not surprising that the most powerful party, the Christian Democratic Party [DC], is anxious to make overtures, on the one hand, and to maintain a balance, on the other hand.

With Aylwin on vacation, there are essentially two DC men who, at the specific request of the new leader, have undertaken this task: Edgardo Boeninger and Andres Zaldivar. The latter, as president of the party, held a meeting with Jorge Arrate and the men of the Almeyda Socialist Party on Monday. The meeting, which lasted over 3 hours, was held at the Carlos V Building, where "Chico" maintained his headquarters during the campaign. A few hours earlier he met with Ricardo Lagos, and then rushed over to Edgardo Boeninger's office on Calle Huelen. He had another meeting, this time with the head honcho of the Communist Party [PC], Volodia Teitelboim. The latter conglomerate also held a Central Committee meeting that day. The DC, moreover, held a board meeting Tuesday morning at Zaldivar's house. There they agreed to convene a national party council, and a general meeting was called for 15 January.

There is a reason for so many high-level meetings among leftist officials: to find out how the left will behave in the next government, given its limited electoral representation. And of course the DC is worried: There is nothing worse than an isolated extreme left. Everyone agrees on that point.

The president and his closest aides will have to strengthen their bargaining power, and not just with the political parties and the Armed Forces. Businessmen and labor are two other guests at this party of democracy. How much influence the president can wield (especially

considering Congress, including the appointed members and the commander in chief) will be a key factor in whether or not it rains on this parade. We shall see.

It will be difficult for Aylwin to operate freely, given the composition of Congress. The CPPD coalition has 22 senators and 69 deputies, plus the 2 seats won by the Broad Party of the Socialist Left [PAIS]. Meanwhile, the new opposition, the Democracy and Progress Pact, won 16 seats in the Upper House (plus the 7 already appointed) and 48 deputy seats. In other words, the government will not even be able to amend or pass any laws that require a special majority, that is, a parliamentary majority (for this purpose it is necessary to have the support of 23 senators and 61 deputies). Among the special majority laws are that of the National Television Council, the State Business Ownership Law, and the Terrorist Conduct Law.

To amend Constitutional Organic Laws (LOC), laws which reform the Constitution, and those which are considered to be "Foundations of Institutionality," the government must approach the center-right. Only in this way will it achieve the necessary majorities of four-sevenths (27 senators and 68 deputies), three-fifths (28 senators and 72 deputies) and two-thirds of Parliament (31 senators and 80 deputies).

It is clear, then, that after all the adding and subtracting is done, National Renewal [RN] holds the master key for barring...or admitting any amendment or bill. For this reason, more than one person has commented that "you can feel it, you can feel it," RN is all puffed up. It holds all the cards. It is no coincidence that, while the top officials of the Independent Democrat Union [UDI] went to pay their respects to the new president, RN has not lifted a finger to congratulate him. It is playing hard to get; it wants to gain altitude. Nevertheless, it is common knowledge that the joint committees of RN and the CPPD have done quite a bit of work already, and that they will be formally constituted next week.

Bearing in mind the specific weight of RN, some DC officials are rumored to have devised the strategy of voting for Sergio Onofre Jarpa for president of the Senate...as long as he comes equipped with the document containing the reforms that are necessary, signed, and sealed. The plan has reportedly failed, however, because even without the DC, the right has a majority in the Senate, given the composition of the appointed parliamentarians. Tough luck.

As for business-government relations, although businessmen have contributed to stability by accepting the victory of CPPD without protest, there are two sources of conflict that Aylwin will have to resolve: the tax and labor policies set forth in the platform. With regard to the first, the CPPD assumes that businessmen will see the need to raise taxes for social spending. "This is the time," commented a CPPD member, "to legitimize in democracy a system of an open economy." He went on to say, "We are certain that business will not object to the country's continued development, but with more justice, especially considering that things have gone so well for businessmen over the years."

In addition, a key point in the labor reform that will be promoted is the modification of the current prohibition on negotiating by sectors of production. The idea is that from now on, this system will be maintained, but not exclusively. Bargaining by activity will also be advocated. On this issue, Manuel Feliu and Daniel Platovsky have been on the front line in the talks, although the second-strongest party in Parliament, RN, is opposed to bargaining by service area. That is how its party platform reads, moreover. They believe that the trade unions would obviously prefer to bargain by area, so giving them "options" would be naive.

Finally, some business sectors question reaching any agreement with the United Labor Federation [CUT] because they claim that the Communist Party has a strong presence there, and it is "a top-heavy organization with few real members," they say.

Aylwin and the Left

The PC's attitude, for now, is a mystery. The fact is that everything everyone thought before 1900 hours on 14 December has changed dramatically. The PC's strategy at that time was to avoid any expression of opposition to the new government, to be loyal while maintaining its profile (in other words, to become the center of the struggle for the "deepening of changes"). Indeed, the party's regional chapters had prepared a detailed list of all the demonstrations and celebrations that would be held on the 14th and the following days (this was denied by the PC spokesman, Jose Sanfuentes). One source said that the party leadership had brought everyone in line, allowing the celebrations but with moderation. And in the end, there was some of that (demonstrations at the jails, marches, etc.), but low-key...thanks to the leadership, or to the failure in the elections?

Today the PC knows that directly opposing Aylwin would be a double mistake: first, because it is clear that the country voted for moderation in these elections. It would not do to radicalize the party's position, given that it has to face municipal elections in 1991, when strength will really be measured. Moreover, the party would be doubly isolated, because for the time being it is clear that the Socialists will not try to leave the CPPD. Thus, according to one source, the only thing left for the PC to do is to play with two courses of action: support the policies of the DC government, on the one hand, and try to win back the rank and file, to redefine itself as a party, on the other hand. For this purpose, the PC will have to be at the forefront in pressing the people's demands: economic issues, freedom for political prisoners, human rights. In other words, a policy focusing on mobilization.

To be sure, Volodia's party has no shortage of internal problems. These guys have done nothing but manage their own mistakes for years: the failed protests, the Manuel Rodriguez Patriotic Front [FPMR], a belated

"no" vote that cost them isolation, and as a corollary, the lack of parliamentary representation after the decision (this time by the DC) to go on parallel slates. Everything has gone wrong for them. For this reason, the party leadership will also have to deal with the internal criticism, which will basically come from a few regional chapters (which, they say, are still playing the radicalization cassette) and of course from the FPMR-Autonomous itself, which is no longer part of the PC.

In the political-contingent decisions that this party will have to make, the influence wielded by the Socialists will be clearly felt. Clodomiro Almeyda himself has said, "I will never again get on a train that is moving." And now, of course, he is much less able to get off, as the CPPD has attained a speed of more than...55 percent of the vote. For the same reason, the Socialist Party's route is more or less fixed: stay on the train of Patricio Aylwin's government, considering that it does have to make a mandatory stop: the reunification of the party. This, according to what has been established, is supposed to take place, at least formally, on Friday the 22nd, when Arrate and Almeyda sign a document that goes far beyond good intentions. Although the future looks more or less clear in this area, there is still one problem that remains to be solved: the Party for Democracy [PPD]...and Ricardo Lagos.

The election proved two things: one, that the PPD vote basically belongs to the socialist movement. Of all the PPD candidates who reached the Senate, only one is independent: Laura Soto. Secondly, it became clear that this instrumental party does not have its own organic element to give it strength. It has one leader, and his name is Ricardo Lagos. Hence the obvious question: What will happen to this party, especially since prominent leaders of the Singular Popular Action Movement [MAPU] and the Christian Left Party [IC], which were in the PPD, decided to make tracks for the united socialist movement? Some believe that the PPD now has no raison d'etre. "The membership is basically socialist, and when it comes time for unity, their ideology will tell." Nevertheless, there are those who believe that the PS [Socialist Party] should use its head and build a unity that centers on the PPD. "It is a modern party that symbolizes moderation. There are still people who are frightened by so many red flags, and we can't afford to lose them."

Another aspect that the left and the Aylwin government are analyzing is what to do with Ricardo Lagos. The first thing that must be considered is that the leader does not have the support of some people in the Almeyda Socialist Party, and that officials of the PC itself want to blame him. They feel that the PPD did not support them in the elections, despite the agreement they had.

For now, some sources think it unlikely that Lagos will be content to be considered just another leader of the PS. It is also unlikely that he will ask for a post in the government, knowing that he was never one of Aylwin's men. Even so, there is a rumor that he might be given the job of ombudsman, or defender of the people. This position would not be incompatible with the presidency of the PPD.

* Center-Right Optimistic

90ET0074C Santiago QUE PASA in Spanish 21 Dec 89 pp 20-22

[Text] What is the opposition celebrating? This is the favorite phrase that is uttered boastfully in the halls of the center-right. This phrase clearly reflects the prevailing atmosphere there.

The parliamentary election results have inspired this triumphant spirit: "We are like the foremen in the fields; we hold the keys to the transition," declared an exultant leader of National Renewal [RN], obviously alluding to the unexpected number of senators and deputies elected.

The truth—sad though it may be for some to admit—is that no one in the UDI [Independent Democrat Union] or in RN has given a moment of thought to their defeated presidential candidate. Though there were few illusions about Hernan Buchi's chances, "the loss was so overwhelming that there is no doubt about it," explained UDI sources. So they prefer to spend their energy savoring the triumph of their candidates and putting their own parties back together.

The large number of votes won by the center-right surprised everyone, including the center-right itself and the opposition. It exceeded all expectations. In the best of cases, they were hoping to win 14 Senate seats, and they won 16; they expected no more than 45 seats in the Lower House, and won 48.

Not to mention the unexpected blow dealt by Jaime Guzman (UDI), who left PPD [Party for Democracy] leader Ricardo Lagos in his dust. That was the high point of the night of the 14th. Everyone had been so certain that there would be a virtual vote-by-vote battle that within a few hours, what was supposed to be a funeral turned into a genuine carnival. Guzman's victory, if the truth be told, gave the right a shot in the arm. And it was nothing to sneeze at. Winning a seat in Santiago West, where most of the voters are people who have paid the so-called "social cost" that the opposition is always going on about, seemed like an impossible dream. The nearly 424,000 votes (31 percent) that Guzman and Miguel Otero (RN) won is certainly a great feat.

Although the party is not over, people are beginning to look to the future, to the task that lies ahead. In the immediate term, they have already set in motion a crane that will actively draw into their ranks the independent parliamentarians who have been elected. RN has the advantage in this race. So far it has managed to attract to the party Alberto Cooper, Sergio Romero, Sebastian Pinera, Julio Lagos, and Enrique Larre. It is also rumored that Arturo Alessandri, Sergio Diez, and Bruno Siebert will join as well.

The UDI is a little further behind. It is hoping that Beltran Urenda and Bruno Siebert will join. In the case of deputies, it is courting Carlos Bombal, Victor Perez, Juan Masferrer, and Maria Angelica Cristi. Talks have also begun with the "Buchi people," and with leading figures such as Miguel Angel Poduje.

The idea behind this initiative is that the right must rally round the parties and leave aside notions of independence if it wants to have any chance of winning the presidency in the future. This is one of the lessons learned from the electoral battle. The idea was reinforced by the impressive functioning of the DC [Christian Democrat] machine, with the subsequent results. The right hopes to set up a similar apparatus.

For the time being, the UDI will devote the summer months to building a solid internal structure, especially as far as Santiago is concerned. It will also pay particular attention to those regions where its candidates were defeated, because its fortunes seem to be lagging there. There will be an avid search for a new secretary general for the party, given that Pablo Longueira must look after his parliamentary seat. The post was offered right away to Joaquin Lavin, but it is not yet clear whether he will accept. It is felt that the secretary general should work full-time for the party.

Renewal will do something similar. Although its internal elections will be held in March, party officials will begin working right away as if they were in a large party. This entails abandoning the squabbling and bickering with other representatives of the center-right. They favor strengthening the party through growth and the emergence of a clear image of its own. They confess that they wasted a lot of time after the plebiscite of 5 October 1988, trying unsuccessfully to bury the UDI. This "mea culpa" has led them to define their position as being in the center of the spectrum, with some affinity with the moderate sectors of the DC (which they will try to recruit into their ranks), while the UDI represents a more right-wing constituency.

Therefore, both groups are of the opinion that there will be no merger, but there will be a joint effort in Parliament. Obviously, RN will not just cooperate with the UDI, with which it still has serious problems of confidence. Its idea is to reinforce the democracy of the accords, for which purpose it will continue negotiating with the DC and the parties of the Small Coalition, preferably.

In fact, RN officials have continued to meet with representatives of the CPPD [Coalition of Parties for Democracy] in search of basic agreements that will bring stability to the democratic transition. They want to leave tied for now what they consider to be the three Gordian knots of the next 4 years: the political-legal knot (agreement for the election of mayors), the economic-social knot (social pact between labor and business), and civilian-military relations (the Law on the Armed Forces and the treatment of Human Rights).

As if that were not enough, RN has more ambitious plans. This is not true of the UDI. They have already begun to draw lines so that their parliamentarians-elect will now begin to work on what will be their task in Congress as of March. RN wants to become a modern and effective opposition. With this in mind, it will name the senators- and deputies-elect to various committees for sectorial work, so that when the CPPD arrives in Congress in March with a sheaf of bills, RN will be prepared, with its studies completed or almost completed. They do not want to be accused of sleeping on the job. An interesting strategy.

In the center-right there is real agreement on the tough job that lies ahead. They know, for example, that politics requires not only a good party structure but also direct contact with the constituents, especially in the low-income neighborhoods. Last week's election showed clearly that while the RN vote went up in urban centers, it went down in rural sectors, compared to the results of the 1988 plebiscite. Of equal importance, however, is the fact that its popular support has risen from the approximately 23 percent it had at the end of the Allende government to nearly 40 percent now. This is an interesting legacy after 16 years of military rule—another oddity of our transition. This is a great leap, and they should consolidate that support.

All indications are that after this initial period, which is undoubtedly one of total joy, it will be time to take another look at the natural leaders in the parties. There is a lot of resentment toward some of the leaders of this campaign. There are wounds that have not healed between the candidates of the Democracy and Progress Pact, and even between officials of the same party.

Some maintain that the time has come to pay the bill, no matter how painful it may be. In this regard, one of the most controversial figures seems to be Andres Allamand, who is accused by some RN people of extreme personalism. They claim that he went too far in some of his statements, that he favored Sebastian Pinera with his support to the detriment of the candidacy of his own group's vice president, Miguel Otero. Nonetheless, he has major defenders, who argue that the role the party asked him to play was neither easy nor pleasant. First, he was entangled in Buchi's campaign before the fundamental disagreement, and then he was involved in the second leg, after Jarpa's resignation. Within RN, this issue was, without a doubt, complicated enough by itself and difficult to manage, given that the presidential candidacy of the president of RN was always lurking below the surface. The drafting of the party slates was no less tense, and Allamand acquitted himself well. He did not compromise with the small parties, which could have cost him dearly, but now, after the battle, people are thanking him for helping to wipe off the map a number of candidates who did not represent anyone and who considerably rarefied the atmosphere in the center-right. He also had to battle with Francisco Javier Errazuriz, another task that was neither easy nor simple, and which was fraught with risk. His defenders point out, therefore,

that in the final analysis, his position should be strengthened. This is a battle that is about to be waged.

Today, as well, the parties are aware that they should be concerned about the leadership that each should exercise within the center-right. The UDI seems to have a clear idea of its role: to defend the work of the Pinochet government item by item, especially in the economic and social spheres. It also, of course, declares that it will fight tooth and nail to make sure not a single iota of the Electoral Law is changed. Furthermore, UDI officials themselves claim that people stop them in the street to say, "Don't move an inch from where you stand. That's why we voted for you. Compromise very little." Sure, they are willing to respond to their constituents.

Not so RN. Having a three to one edge over the UDI in Congress is especially gratifying to it. For this reason, its great goal is to expand the spectrum of its forces as soon as possible. It would like to bring together the supporters of the rightist groups that disappeared in the last election, and those who voted for Errazuriz. RN officials say that Aylwin will make their task easier, since he will have to remain true to the CPPD platform, which will push him toward the center-left. The UDI's position, to be honest, is also a source of satisfaction; the political center of the right belongs to RN, and it should expand that segment. This is especially true as 1994 and the next city council elections approach. In this regard, the UDI and RN calculations distinguish between the two: In the districts where the two parties ran against each other, it was an equal battle, they say. RN won 14 seats and the UDI, 12. UDI officials contend, then, that their 9 percent does not mean that they are far below, but that they have candidates in between districts. That is why RN has a 17-percent rating nationally. But where the two parties ran head-to-head, UDI candidates won an average of 20 percent of the vote, brag party officials, while RN candidates garnered 18.5 percent.

Along other lines, also with a view to 1994, the position that Francisco Javier Errazuriz adopts will be of the utmost importance. He has been accused of distorting the message of the center-right, not only by these parties, but by the CPPD as well. That seems to be a point of agreement: He must be destroyed as soon as possible. Preferably now, they say. Although in passing, they are comforted by the knowledge that his votes are not transferable. The thousand-odd voters he won over did not, on the other hand, vote for the representatives who were accompanying him to Parliament. That Parliament for "President Errazuriz" turned out to be nonexistent. It should be noted, however, that the Liberal-Socialist Pact won a moderate number of votes. Not at all bad. It is for this reason that there is considerable certitude that Fra-Fra's call for the creation of the National Center Union Party will not meet with great support.

Another source of concern is the possible upsetting of the balance of parliamentary forces. Today the right has enough votes to stop any congressional initiative by Aylwin in connection with Constitutional Organic Laws or Constitutional Laws. One point that had to be defined was the majority in the Senate. At one time it was thought that the government could seek a neutral solution, as in the case of the Central Bank Council, for these nominations. In fact, it did not do so, partly because doing that would mean that the CPPD could amend the laws passed by "simple majority," without the consent of the center-right. Economic laws fall into this category, and of those laws, of most concern is the one related to the Labor Plan, regarded as a key element for the future economic balance.

The senators who have already been appointed, Santiago Sinclair, Ronald McIntyre, Cesar Ruiz Danyau, Vicente Huerta, Sergio Fernandez, and William Thayer, are important in this context, as QUE PASA reported last week when it revealed the names and the dates when they would be appointed. It also reported the nomination of Olga Feliu to represent the Comptroller's Office. Her name was placed on the list of possible nominees because only two candidates, Humeres and Silva Cimma, met the requirements for these seats. After some study, it was decided to name Feliu, who was formerly assistant director of the office. Thus, the center-right is on the verge of attaining a majority in the Senate, which is essential for halting all initiatives that do not have its approval. In addition, it will be able to nominate the president of the Upper House, who may be Jarpa, as long as the UDI is willing to lend its support. The name of Arturo Alessandri has been mentioned, furthermore, as a compromise alternative. Jarpa reportedly does not want to accept because he contends that he will lose bargaining power for the political struggle.

The major point that remains to be resolved, then, is the names of the two appointed senators who will represent the Supreme Court. They hold all the cards at this point. Moreover, it is they who will decide which sector will have one vote more than the other. This important decision will tip the balance to one side or the other. All in all, though in principle it is felt that they will be moderate, or rather neutral, representatives, one thing is clear: No matter who they are, they will not approve of major changes in current economic legislation, which is of vital concern to the forces aligned with the government.

It is for all of these reasons that the center-right is celebrating so joyously. It is almost as if Buchi had won. They feel like winners. They contend that the Congress is ideal for the transition and for the consolidation of democracy. The challenge is to forge broad agreements for the benefit of the country. That is why they have already described themselves as a constructive opposition. They do, however, have one fear: that the Aylwin government will be too good. Then their chances of winning the presidency in 4 more years, with a man from their ranks, would be too difficult.

* New Left Realignments

90ET0074D Santiago EL MERCURIO in Spanish 24 Dec 89 pp 5d, 6d

[Article by Maria Angelica de Luigi: "The Left's New Map"]

[Text] It is like stirring up calm waters: After a few ripples, the liquid becomes calm again, but slightly altered. And that is what the left feels has happened to it: Now it is readjusting after an internal agitation that stirred it up for several decades.

In its view, the problem for many years has been a matter of interpretation. Each policy committee [organica]—that of the Socialists, the Communists, the Movement of the Revolutionary Left [MIR], or the Christian Left—each has read and interpreted the facts in its own way. And in the discussion, some have ended up winning over others, until they all seem to sound more or less the same...though not all at the same time.

Sometimes, in the explanations, the expression "interpretation of the political reality" is replaced with the notion of strategies. Each policy committee has different strategies for different times. For this reason, it is said, in the 1960s the Communists subscribed to the idea of elections as a vehicle, which led to the triumph of Salvador Allende, while the Socialists opted to take the rocky path of violence, precipitating the military coup of 1973.

This is also the reason for the spectacular turn-around in the 1980s: The Socialists began to return to increasingly democratic practices, while the Communists came out in favor of armed fronts and all forms of struggle.

They insist that these were different assessments and analyses that each sector made of milestones such as the Cuban Revolution, Allende's ascent to power, the fall of Popular Unity [UP] in 1973...long processes of self-criticism, accusation, and division that are supposedly culminating today with the election results of 14 December.

And with a new map of the left, slashed by a dividing line: On one side are the factions of Arrate and Almeyda, anxious to participate in the Aylwin government and to occupy the seats they won in the House and Senate; and on the other side is the left comprising the Communist Party and the political MIR, alienated from the CPPD [Coalition of Parties for Democracy] government and thwarted in their efforts to go to Congress.

How are these results being interpreted now? The exalted Socialists of the 1970s (there are repentant Socialists on the Almeyda and Arrate policy committees) feel that the electorate rewarded them for returning to the proper path of democratic practices and punished the Communists and their military policy.

They believe that all of their moves were in the right direction when they called upon their supporters to register to vote and then to vote no. The result of that vote, in their opinion, was what made possible the recent triumph of the opposition. They argue that the Communists, in contrast, came late to all these decisions and made mistakes, and mistakes in politics are very costly.

PS-PC Axis

The left will see a number of consequences arising out of the recent election results. The first is the unification of Socialism, announced for this week, before the end of the year. That will enable them to participate in the Aylwin government without anyone disputing their position as the second-largest electoral force, after the DC [Christian Democratic Party], with "at least four important ministers in the cabinet, in the economic, social, and political sphere," a source commented to us.

The second consequence is the strengthening of the PPD [Party for Democracy] under a formula that, although the Socialists have provided lengthy explanations to the press, is not at all clear. As one of the leaders confessed to us, "the mechanism to be used is still under discussion." In any event, what is not disputed is the decision to strengthen the PPD, "because it would be suicidal to get rid of the leftist formula that was most successful in the elections."

The third effect on the post-election left will arise out of the first two: As the PS-Almeyda [PS—Socialist Party] withdraws to join the PS-Arrate, with a view to strengthening the PPD, the instrumental party known as PAIS [Broad Party of the Socialist Left] will no longer make sense. Aside from the fact that this party won not a single seat in Parliament (the two deputies-elect are Almeyda Socialists, so they are abandoning ship), it will have no raison d'etre with the three members that are left: the PC [Communist Party], the political MIR (both without parliamentary representation) and the IC [Christian Left Party] (with two deputies elected on the CPPD slate).

Next, after the demise of the PAIS, which everyone has announced, comes the question of what those who are left will do. Specifically, what will the PC decide, given that it is the strongest of those remaining at the headquarters on Calle Bulnes? Sources in the left predict that, in view of the new political situation resulting from the elections, the PC will decide to legally register, turning in the required 100,000 signatures for the Electoral Rolls and beginning the 9-month processing period required by law.

Behind all these changes is another fact that the left is beginning to appreciate as "historic": The departure of the Almeyda Socialists from the coalition they shared with the Communists marks the end, for the first time after many years of political history, of the so-called PC-PS axis that dominated the Chilean scene in its different forms: FRAP [expansion unknown], Popular Unity, Popular Democratic Movement [MDP], United Left, and PAIS.

For how long?

PS-PPD

Among the Arrate Socialists, everyone has a triumphant attitude in spite of the loss of candidates such as Ricardo Lagos, Erich Schnake, and Aniceto Rodriguez. They answer the question about the possibility of a future alliance in Chilean politics between the Socialists and the Communists in this way: "Nothing can be predicted in politics. It may be that the circumstances, the scenarios, the attitude of the Communists themselves, will lead us to reach a new understanding in the future, in the form of a pact or alliance. What will definitely not happen again is the predominance of the PC in that relationship, as was historically the case. Now the Communists will have to go along with the renovation of the progressive, modern, essentially democratic left."

For the time being, such an alliance does not figure in the plans of the Arrate Socialists, who will join the Almeyda Socialists this week: "This is the time for the unity of the Socialist family, after many years of arguments, wounds, and divisions."

According to this view, it is also the time to strengthen the PPD, which is regarded as a point of "convergence between Socialism and other progressive sectors: humanists, radicals, leftist liberals, greens, leftist Christians...."

Socialism is taking a step toward the center, away from the extreme where its longstanding alliance with the PC had kept it.

As for the formula for the relationship between the newly unified PS and the PPD, nothing is clear yet, except that this entity must be maintained no matter what. We were told that three possibilities are under study: One is the one defended by the Almeyda Socialists, and it consists of turning the PPD into a great movement that will attract the various political currents that are intended to come together. Another is a merger, a kind of PS plus PPD, a "Socialist Party for Democracy." And a third possibility is to amend the current electoral law and form a federation or pact of the two legally registered groups.

PS-ex-PAIS

At the PS-Almeyda headquarters in Agustinas, there is also a spirit of optimism in anticipation of the imminent "Socialist family reunion." Although it may come as a surprise to many, they themselves point to the overt change they have made in the language of the left: "The left must keep up with the times," is heard at the headquarters run by Clodomiro Almeyda. "It must once again tune in to what the popular masses ('different from those of the 1970s with the UP') want and think today, must revise its vision of the so-called true socialisms that are now being questioned by their own people...The left must adjust to the new times."

As for the decision to "give priority" to the existence of the PPD, some sources contend that this matter was not very pleasing to the Almeyda faction. It might have been before the elections. Today there is no doubt there that the PPD is a very interesting source of votes and a projection of unified Socialism that can lead "progressive" currents that were lost for a long time because of the close ties with the PC.

Political MIR

Among the recent political developments, there has not been much time to discuss the fact that for the first time in the left, a movement advocating violence has participated in elections and has tried to join the trend toward legal political activities. The so-called political MIR, which belongs to the PAIS party that is now dissolving, "loyally supported the Aylwin candidacy," as they say. In all honesty, this organization put on a deputy campaign that was absolutely inconsistent with the image that they themselves had cultivated since the Frei government: a lot of salsa, lambada, young people's music, defense of democracy. It did not, however, prevent them from being excluded from Parliament.

Will they go back into the hills? That is a question that the current leaders answer in the negative. Defending the position of one of their leaders, the slain Jecar Neghme, they declare that they will continue their efforts to become accepted as a political party. And meanwhile, "we will make sure, from our position in the social movement, that new coup attempts do not block the way to democracy."

These sectors also contend that "the left has lost its identity; it is still engaging in an outmoded discourse; it has not performed the self-criticism that it should have; the leadership has been operating for a long time in a bubble, and has lost touch with what the masses want."

The Communists

The sector that has been the most resistant to acknowledging its mistakes is still the PC. It has also been reluctant to admit defeat. When Communists are reminded that all of their candidates lost, they argue that this was due "to the unfair law that the Pinochet regime imposed," and add: "Besides, we boosted candidates. It was our votes that helped Senators Ricardo Nunez (PPD), Laura Soto (PPD), and Anselmo Sule (PRSD [Democratic Socialist Radical Party]) win....We helped senators and deputies win."

Moreover, they reject the self-criticism, the most direct so far, that has been advanced by Luis Maira in his assertion that "the left should change its methods of political participation," and that "the electoral setback that it has just suffered was due to the absence of a national political program and to the fact that some sectors persist in the strategy of popular rebellion."

"According to these arguments, Lagos, despite his new proposals, lost for these reasons. In fact, he lost because of the injustice of the current electoral law," people are saying at PC headquarters.

They also refuse to admit that they came late to the political decisions that the majority of the opposition made, or that they made any errors of interpretation or strategy: "No, we didn't make any mistakes. What has just happened proves that we were right in saying that the dictatorship had everything carefully set up to sabotage any result that truly represented the people's will."

What will they do now, when the PS-Almeyda pulls out and practically disarms the PAIS? Among themselves, they do not rule out the possibility of deciding to legally register as a party and to participate as such in future elections..."although our first priority is to pursue the forging of a leftist understanding that is as broad as possible."

Do they think a new alliance could be formed with the Socialists who are leaning toward the democratic renovation? "Of course," they reply, "we will have to wait and see how things turn out, what changes take place on the political scene."

And what about now? The Communists assert, as they have said before, that "they will hasten to work faithfully for the Aylwin government (although from the outside) at the grassroots level, among students, slum dwellers, and rural and urban workers."

What program will they demand? "That of the CPPD....We believe that it is a good program for beginning the transition to democracy."

In that spirit, the Communists also reject all of the predictions that have been made for some time within the left itself that they will fall into ruin. Arrate and Almeyda Socialists believe that the tensions within the PC—between those who want to take up the electoral path once and for all, and the more recalcitrant youths—will end up cutting into pieces a PC that is already on the decline. These Socialists hope that the idea of "perestroyka" and renovation will prevail, but they think that this process will not be easy for the integrity of the Communists.

The Communists, however, just laugh: "There are people who spend their lives predicting the demise of our party. The only thing they manage to do is to step on their own tails."

And in fact, there is no smell of defeat among the leaders of the PC. Indeed, it is rumored that very astute analyses are being made for the purpose of meeting the challenge, in accordance with the party's methods and political aspirations, of the new process that is beginning, including the new map of the left, to become successfully reintegrated..."because in politics, everything always remains to be seen. And every strategy must adapt to the present situation."

Colombia

Escobar Accuses Cali Cartel of Betraying Gacha

PA2401123490 Bogota Inravision Television Cadena 1 in Spanish 0008 GMT 24 Jan 90

[Text] An unusual communique signed by Pablo Escobar Gaviria was delivered to EL TIEMPO newspaper Director Hernando Santos Castillo. In this communique, Escobar denied the Medellin Cartel is divided and stressed that those who told on Gonzalo Rodriguez Gacha were Cali Cartel members. For several months, Escobar's group has been engaged in a fight to the death with the members of the Cali Cartel.

Escobar's communique even gives the name of the person who collected the reward from the authorities, a reward that had been announced on television as a prize for denouncing El Mejicano [Rodriguez Gacha's alias].

Here is more on this communique:

In a new exchange of communiques, a practice that has become common nowadays, Escobar decided to write a letter to Santos to clarify certain doubts: first, to say that his friends and collaborators have not withdrawn their support as a result of a campaign carried out by the 4th Bridage in Antioquia, as reported in EL TIEMPO. Escobar stressed that the best proof his friends have not betrayed or abandoned him is that he is still free. Second, he said that if the government ever decides to fight for peace, it will find a long, endless list of Extraditables, drug traffickers, henchmen, and paramilitary group members who want to accompany the government in that process. Third, he accused Jorge Velazquez, a member of the Cali Cartel whose alias is "The Navigator," of denouncing Rodriguez Gacha and collecting the reward. He also accused Cali Cartel members of denouncing Jorge Luis Ochoa in Palmira and of being responsible for the disappearance and murder of Antioquia people who visited Valle del Cauca Department. Escobar also charged that Cali Cartel members placed 700 kg of dynamite in his family's building. Fourth, he noted that his struggle is against the Cali Cartel not the Valle del Cauca people and added: I feel great admiration and profound respect for Valle people because my wife, Victoria, was born in that beautiful land, her ancestors all lived there. Concluding, he said that although he has never accepted the Cali Cartel's peace proposal, he has never rejected dialogue as an alternative for solutions.

Release of Presidency Official's Son Confirmed

PA2201190490 Bogota Inravision Television Cadena 2 in Spanish 1805 GMT 22 Jan 90

[Text] Attention: The Medellin police are confirming at this time whether it is true that Alvaro Diego Montoya Escobar, who is the son of the secretary general of the Presidency, has been released near the Campos de Paz

cemetery of the capital of Antioquia. As you will recall, Montoya was kidnapped on 20 December by the Extraditables.

Attention: New reports on the release of Alvaro Diego Montoya, the son of the Presidency's general secretary, reveal that he was freed today at 0200 in Bogota, and not at noon in Medellin.

Quintin Lame, FARC Prefer Political Solution

PA2301190890 Bogota Inravision Televison Cadena 1 in Spanish 1730 GMT 23 Jan 90

[Text] The pro-Indian Quintin Lame Commando Unit guerrilla group today announced its willingness to renew talks with the church and the Colombian left. However, the group said the dialogue has not been a failure. It also said the creation of a national constituent assembly would solve the country's institutional crisis.

The group issued a communique signed in the country's highlands in Cauca Department. The Quintin Lame Commando Unit High Command claims there is a climate favoring peace throughout the country after the efforts made by the group of notables. It says it will continue to explore formulas to reach an agreement with the national government.

Elsewhere, Jacobo Arenas, ideologue of the so-called Revolutionary Armed Forces of Colombia [FARC], said today the FARC wants to assume power through political means and not through arms. Arenas says that the FARC wants to become a legal political movement once a constituent assembly is formed.

Arenas said that the FARC is working toward peace. He rejected any attempt to assume power through violence and stressed that the FARC wants to become a legal political party entitled to wage a political campaign to ensure lasting peace for Colombia.

[Begin Arenas recording] We must convoke a constituent assembly to draft a new constitution to end confrontations in Colombia and attain peace. There are many armed movements in Colombia, and probably even the Simon Bolivar Guerrilla Coordinating Board could become a new political party. [end recording]

He criticized the peace process with M-19 [19 April Movement] because it is complex and has a questionable future.

* Death Toll, Nation's Reaction Reported

90ET0071A Bogota SEMANA in Spanish 12-18 Dec 89 pp 46-55

[Text] Just like every other day, activity in the Paloquemado district began very early that Wednesday, as factories, warehouses, stores, and vendors of all kinds began working, as usual, at around 7 in the morning. The buses, taxis, and private cars created the usual traffic jams, and people crowded together at the doors of government offices to get a good spot in the lines leading up to the windows.

That was how it was at 0730 hours on 6 December in this crowded district of Bogota. Suddenly everything started to shake. Roofs caved in, and window panes shattered. Heavy furniture flew around inside homes. A 200-meter column of smoke rose up on 27th Avenue and 18th Street. Only a few managed to run away. Most did not realize what had happened, and many, almost 50, will never know. In one second at 0733 hours, 500 kg of gelatin-dynamite that had been placed inside a bus brought tragedy to the zone. The target: the building housing the Administrative Department of Security [DAS], and more specifically, its director, General Miguel Alfredo Maza Marquez. The result: 50 people dead and close to 600 wounded, not counting those who were not taken to treatment centers.

The first recorded victim was a street vendor who had arrived early with his load of food to begin selling in the vicinity of the DAS. As the minutes passed, other victims turned up. The cries of the wounded blended with the wails of the ambulance sirens and radio patrol cars that were almost prevented from reaching the scene of the tragedy by the traffic congestion that had developed along the access routes. The eastern face of DAS headquarters was almost completely gone, and from the street officials could be seen trying to remove the rubble and pull their trapped colleagues out. In a meeting on the ninth floor of headquarters Gen Maza was blown out of his chair by the shock wave; pieces of the ceiling fell around him, and the safety-glass windows shattered into a thousand pieces. Had it not been for the protective shielding around his office, the DAS director would no doubt have been seriously injured.

Those Who Got Away

Meanwhile, outside on the street the tragedy was mounting. Right in front of the building, just 2 meters from where the bus-bomb had been parked, the Rodriguez hardware store had been turned into a pile of rubble, under which the family of three and their four employees lay dead. The store would open every day at 0730 hours, when Romualdo and Patricia Rodriguez used to take their 4-year-old daughter Liliana to school. That Wednesday, however, "night fell on them" by 3 minutes, and they were unable to avert death.

Something similar happened to 35 other people. Many were driving to work near Paloquemado; others were walking, or were just at home getting ready for the day when the explosion, which Maza Marquez described as "a mini-atomic bomb," took them by surprise. According to Maza, a former member of the Basque terrorist organization ETA [Basque Fatherland and Liberty] had trained the terrorists who prepared the bus-bomb.

As he walked down the stairs at headquarters in the company of his security personnel, Maza saw for himself, with every step, the dimensions of the tragedy. Eight DAS officials had perished in the bombing. In the basement of the building several detainees miraculously survived, including the men charged with the murder of Luis Carlos Galan, who were rescued from amid the rubble by several agents. The fact is that the bomb had Maza's name on it, no matter how many people had to die in the attempt. The general arrives at his office every day at 0730 on the dot. On that Wednesday, however, he was a few minutes early, and this ultimately saved his life.

It was not the first time that Maza had looked death in the face. Last 30 May, as he was riding to his office along 7th Avenue in the Chapinero district, a car-bomb went off as the general's convoy passed by. On that occasion the car in which he was riding was completely destroyed, but the DAS director emerged with a just a few minor injuries. Maza asserted at the time that he was the main target of the drug traffickers and and was not ruling out further attempts on his life. What is more, his security personnel were aware that a bus had been stolen and was being prepared for a dynamite attack.

Total Destruction

The general's presentiment was accurate. What he never imagined was the size of the bomb. The explosion was felt in half of Bogota. The crater 4 meters deep and 13 meters long at the site of the incident gives an idea of how powerful the bomb was. At the International Center near the Tequendama Hotel, more than 3 km from the DAS, the windows in several offices shattered, as was also the case at the Torres del Parque at the foot of the eastern hills. It was so bad that it was initially thought that several bombs had gone off, and the first radio accounts spoke of bombs in the downtown and southern areas of the city.

It was a shocking site. More than 300 stores in the Paloquemado area were leveled. The Colseguros and San Facon apartment buildings suffered considerable damage to their structure. Fifteen financial institutions and 15 banks in the area were reduced to rubble. The commercial zone of the Ricaurte district, which is a bit over a kilometer south of the DAS, was partially destroyed. Two blocks from Maza's offices, at the Paloquemado courts, 40 circuit criminal courts, 30 superior courts, 15 permanent courts, 30 superior district attorney's offices, 5 special courts hearing drug-trafficking cases, 118 lower criminal courts, and 40 district attorney's offices hearing criminal cases were blown to pieces. In addition, 70 percent of the files in those offices were lost, and worst of all, the damage to the structure of the building has halted the work of the courts until the Revolving Fund can relocate them or repair the damage. There was major damage to the Administrative Department of Traffic and Transportation [DATT] building near the DAS. Several people were wounded, and automobile registration records were lost, as well as countless data stored on computers. Damages were initially estimated at 10 billion pesos.

A Line to Tokyo

A half-hour after the bombing the president got the news. Thanks to a direct line that was kept open for his entire trip, Minister Delegate Carlos Lemos notified the president of the bombing at 0800 hours, Colombia time. At 0830 hours it was German Montoya's turn, as the secretary general of the presidency confirmed to him that Maza was alright. Barco asked that the line be kept open so that he could hear the radio reports.

At around 1100 hours, while Lemos, accompanied by Mayor Andres Pastrana, was flying in a police helicopter to inspect the site of the disaster, the president spoke with the palace and said that he intended to address the nation by television. A half hour later he phoned Maza Marquez. As is usual in such cases, a Security Council meeting was called almost immediately; it was attended by the appropriate ministers and the mayor. It was an informational meeting more than anything else, as no major measures were taken, since all of the appropriate ones already had been.

At the same time that the Security Council meeting was beginning, radio networks were reading a communique signed by "the extraditables," in which they said they were pleased by the "overwhelming majority vote in the House of Representatives whereby the Colombian people will be allowed to decide whether or not to hand over our fellow countrymen, shackled secretly at night, to the Government of the United States." They also claimed responsibility for the deaths of Waldemar Franklin Quintero, Guillermo Cano, Carlos Mauro Hoyos, and the "judges and magistrates who, along with Mr Maza Marquez, had consented to charge us with crimes and massacres that we never committed." In 1 of the 11 points in the communique they assert that they will halt the war only "on the day that the Senate confirms once and for all that the people are our judge." Oddly enough, there was no mention of the unsuccessful attack on the DAS director, which had led the authorities to believe that the operation was set in motion before the truce was declared and that they found it impossible to halt it in time.

That afternoon (early morning in Tokyo) President Barco faxed the text of his televised address so that Lemos could tell him whether it was consistent with how events had unfolded. Finally, late that night the president's speech was sent by satellite and rebroadcast minutes later over national television.

Endurance Test

In the wake of recent events and after Barco's response from Tokyo ("They will not succeed in vanquishing us. We are fighting and we will keep on fighting....We are

not going to allow ourselves to fall under the blood-stained tyranny of the narcoterrorists."), all indications are that war is war and that neither side is willing to give ground. As far as many are concerned, the bombing of the DAS not only killed many and blew up dozens of buildings but also, at least for now, scuttled the idea of opening the door to dialogue, which had gained strength in certain sectors. The announcement by the speaker of the House that "the extraditables" would decree a unilateral truce if the referendum included the issue of extradition, has no relationship whatsoever to what is happening.

The events of recent weeks, from the encirclement of the capos in the Magdalena Medio to the drug traffickers' violent response, raise the question not of whether the war is going to continue but of how long it will last. Its duration will depend on which side has the most endurance. Although it continues to show resolve in the struggle, the government has been uneasy. Its offensive has stumbled not only on the military front, where even the most steadfast sieges have failed, but in the political arena as well. Barco does not seem to have a party that backs him. Quite the opposite, the shameful events in the House have shown that the bulk of politicians, not only from the ruling party but from the opposition as well, have acted out of both fear and complicity. This has led to a systematic sabotaging of the administration's efforts, not only in the battle against drug trafficking itself but also in developing a solution to the institutional and political crisis that the country is going through.

So much for the government. As for the extraditables, they do not lack resolve either, and the bombings of recent days have demonstrated as much, as narcoterrorism in Colombia has reached new heights of indiscriminate violence and placed itself on an equal footing with the most radical and fundamentalist minorities in the world. The question that many are asking themselves now is whether "the extraditables" have reached this point from a position of strength and power or whether they have gone to this extreme because they are being hounded like wounded lions struggling to survive at whatever cost.

The challenge facing the authorities is to get this blood-stained backlash under control soon. Otherwise, they run the risk that the thousands of Colombians who support them today will gradually flag, fed up with having become cannon fodder in a war that they regard as someone else's. While we agree that no Colombian Government has ever undertaken a struggle of this nature, it cannot keep on issuing victory messages when victory has not yet come. What is clear is that more than anything else Virgilio Barco will be judged by history on the basis of the results that he can show the country between now and 7 August 1990, when his term ends. And just as Virgilio's place in history is at stake, Colombia's future is at stake.

* Barco Approves Pardon for Subversives

90ET0082D Bogota EL TIEMPO in Spanish 28 Dec 89 p 6A

[Text] Despite the fact that there are almost 100 laws waiting for his signature President Barco gave priority to signing the bill granting pardons to guerrillas, another bill which gives him the power to set the salary scale of state employees, and a third bill giving new life to the National Archives. The president is preparing his last end-of-the-year message to the country.

The laws which authorize pardons for those who have risen up in arms against the government, and salary readjustments for state employees entered into effect on 27 December after being signed by President Virgilio Barco Vargas.

By signing these two laws the president was provided with express authority to grant pardons to those who have committed political crimes and to set the level of salary readjustments for state employees.

At the same time he took final action on the law which reorganizes the National Archives and provides it with sufficient resources to function.

In the case of the law on pardons, despite the fact that the law giving him authority to issue them has entered into effect, it will not be implemented immediately, since the issuance of a pardon requires that a court confirm the president's decision. It will only be possible for the president to issue pardons after the vacation period of the courts ends in the middle of January 1990.

The law on the salaries of government employees is also a special case since, even though it has been officially signed by the president, it will now be necessary to wait until the government makes a decision by decree on the level of salary readjustments. This law will enter fully into effect on 1 January 1990.

Meanwhile, a team of presidential advisers has begun to prepare the president's end-of-the-year message, in which he will present a balance sheet on the most difficult year of his term of office.

Pardons

The law on pardons is practically the only guarantee which those groups now have which have risen in arms against the government and which wish to return to civilian life.

Other incentives, such as special treatment to allow their members to assume offices through popular elections, a provision contained in the agreements between the government and the M-19 Movement, have remained a dead letter following the failure of the proposal for constitutional reform.

The fact that the pardons authorized by the president will have to be confirmed by a judge will be an obstacle,

due to considerations of time, for all guerrillas who have returned to civilian life to be candidates for positions in the next elections.

The judicial vacations will end in the middle of January 1990, and candidates for positions in popular elections (mayors of towns and cities and members of municipal councils, departmental assemblies, the Senate, and the Chamber of Deputies) must register for those positions by no later than 1800 on 6 February 1990. In some circles it is considered that it will be impossible to complete the registration procedures within that period of time.

Regarding the provisions of this law, it will benefit those responsible for the political crimes of rebellion, sedition or riots and disturbances, and related acts, as well as their accomplices.

The law has a particular provision. It may be applied to members of groups which have risen in arms who, according to the government, have responded to its "initiative for peace." However, at the same time and at the initiative of the member of Congress who introduced the bill the law can also be applied to any guerrilla without requiring the armed organization to which such a person may have belonged to lay down its arms.

This special situation came up when the government and Cesar Perez Garcia, who introduced the bill in the Chamber of Deputies, clashed on this point, and the debate ended with the bill "tabled" for the time being.

As passed, the law provides that pardon can be granted in each particular case when, in the judgment of the government, the rebel organization to which the applicant for a pardon belonged, demonstrated its wish to return to civilian life. This implies laying down arms in accordance with the original views of the president.

A pardon can also be granted to a person or persons who "having left the rebel organization of which he is or was a part shall request it" and, in the view of the government, has demonstrated his wish to return to civilian life, in the language used by Cesar Perez Garcia, who introduced the bill.

A pardon will not be granted to those responsible for homicide away from the battlefield, to acts of "ferocity or barbarity," or to members of terrorist organizations.

The law will apply in the following cases: a pardon for those who have been sentenced, the impending trial of persons against whom it is intended to begin new trials for crimes committed before the signature of this law, and ending judicial proceedings in cases where they are under way.

Salaries

Regarding the law which authorizes salary readjustments for state employees, it has been learned that the president will issue decrees providing for the respective salary levels within the next 3 days.

The salary readjustments will average about 19 percent and will enter into effect on 1 January 1990.

About 1 million state employees throughout the country will benefit from this salary readjustment.

* Labor Unions Reject 25-Percent Wage Hike

90ET0082B Bogota EL TIEMPO in Spanish 22 Dec 89 p 2D

[Text] After questioning the government forecast on the cost of living the labor confederations pointed out that a minimum wage of 40,700 Colombian pesos per month will not fill the gap between salaries and inflation.

The increase of 25 percent in the minimum wage announced by the government, scheduled to take effect in 1990, was rejected by the central trade union organizations on 21 December. They questioned the official projections on the inflationary index of 1989.

The position of the trade union confederations was made public by Angelino Garzon, the secretary general of the United Central Organization of Workers (CUT), and by the president of the Confederation of Democratic Workers of Colombia (CTDC).

According to the trade union leaders, the increase proposed by the government does not make up for the loss in the purchasing power of wages since January 1989, due to the fact that the increase applied for was 27 percent, a figure less by more than 1 percentage point than the inflationary index recorded in 1988, when the cost of living went up by 28.12 percent.

In the view of the secretary general of the CUT, the offer by the economic team of the government was "weakened by the same considerations which the government had in 1988, when it deliberately increased wages by less than the inflation level."

The trade union leader refuted the arguments of Minister of Finance Luis Fernando Alarcon Mantilla, pointing out that the 25-percent increase offered by the government did not amount to any increase in the real income of the workers, due to the gap between the proposed minimum wage and the cost of living.

After casting doubt on official forecasts on inflationary behavior in 1989 the labor leader pointed out that the purchasing power of wages will be reduced even further if the government brings the 25-percent increase in the minimum wage into effect.

For his part Mario de J. Valderrama, the president of the CTDC, stated that the offer by the Minister of Finance confirms the intention of the government to bring to the bargaining table an inflexible salary formula reflecting the monetarist point of view of the government's economic team.

In his opinion the result anticipated by the National Labor Council confirms the attitude adopted by the

trade union leadership officially to take no part in the activities of this cooperative body.

On the other hand the government reiterated on 21 December that the 1990 policy on wages was designed within the framework of the existing anti-inflationary strategies which give priority to increasing progressively the purchasing power of the workers and to stimulating at the same time a higher rate of economic growth for 1990.

The government's views on incomes, contained in an official document issued by the National Department of Planning (DNP), are aimed at bringing inflation down to a level of less than 24 percent annually, through the adoption of 13 courses of action.

In terms of wages the document issued by the DNP warns of the need to ensure that the increase in basic wages does not result in an exaggerated increase in the costs of production. If this is done, the inflationary effects derived from excessive labor costs would be avoided.

According to the DNP study, the increase in the basic wage, which is the basis for the development of the minimum wage, is a fundamental factor in the inflationary processes of the Colombian economy, due to the fact that 70 percent of industrial costs are affected by wage costs.

An increase of 20 percent in the average wage means an increase of 14.5 percent in industrial costs and an increase of 17.1 percent in the food element of the family market basket.

The government strategy is aimed at increasing the purchasing power of wages, not only through the traditional means of an annual increase in the minimum wage but also through the adoption of mechanisms which make it possible to ensure a lesser growth in inflation in 1990.

* Ecopetrol on Solid Financial Ground

90ET0082C Bogota EL TIEMPO in Spanish
22 Dec 89 p 8A

[Article by Victor Chaves R., editor of EL TIEMPO: "Satisfactory Balance Sheet for 1989: Ecopetrol Made 55 Billion Pesos; External Debt Reduced by $140 Million"]

[Text] Despite all of the problems experienced during 1989, the Colombian Petroleum Enterprise (Ecopetrol) will begin the new decade in a solid financial position. Profits in 1989 amounted to 55 billion Colombian pesos, and surpluses of 756.8 billion pesos were generated.

This situation made it possible for the company to reduce its external debt, which went down from $1.115 billion at the end of 1988 to $982.2 million at the end of 1989.

The increase in the international prices for crude oil and the suspension of terrorist attacks against oil pipelines are the principal elements which contributed to improving the financial profile of the state-owned petroleum company. The goal established for 1990 is to develop surpluses of 903 billion pesos.

According to Ecopetrol reports, the average international price of petroleum increased notably, going up from $13.20 a barrel at the end of 1988 to almost $19 a barrel by the middle of 1989. It is probable that by the end of 1989 the average price will be above $20 a barrel.

In this way the company trade balance (the difference between imports of gasoline and exports of hydrocarbons) will be favorable by 279.5 billion pesos, that is, 10 percent higher than in 1988. The forecast for 1990 is a favorable balance in the trade in these items of 395.6 billion pesos.

Of the surpluses recorded in 1989, 375.39 billion pesos (49 percent of the total) were earmarked for the public sector and the community, through the payment of royalties (about 104.49 billion pesos), subsidies, and taxes.

Ecopetrol retained about 258.43 billion pesos, which were earmarked for investment.

In accordance with the recommendations of the Office of the Controller General of the Republic, the distribution of the surplus obtained from operations of Ecopetrol was based on the following parameters:

1. The portion transferred to the public sector, which went from $409.1 million in 1984 to $605.7 million in 1988 and $873 million in 1989.

2. Transfers to the community, through subsidies on gasoline and cooking oil. The impact of this category has declined from 13.8 percent in 1984 to 8.2 percent in 1989.

3. Company creditors, who received 17.5 percent of the Ecopetrol surplus in 1984, through the payment of interest and other financial expenditures. In 1989 they will receive a total of 16.7 percent of the surplus.

4. The surplus channeled to the company itself, which went up from $379 million in 1984 to $601 million in 1989.

Investment Plan

Ecopetrol committed 173.677 billion pesos to carry out its investment plans in 1989. In 1990 this budgetary item will be increased by 22 percent.

After comparing each of the investment categories, the budget for 1989 and 1990 will reflect the following differences:

- For the exploration of new oil deposits 27.219 billion pesos were expended in 1989. In 1990 this category

will amount to 37.926 billion pesos, which reflects an increase of 28 percent.

- During 1989 seismic exploration had a budget of 26.66 billion pesos. In 1990 this budget will be 28.33 billion pesos, that is, an increase of 6 percent.
- In 1989 the budget for refining and petrochemicals was 32.078 billion pesos. In 1990 it will total 54.61 billion pesos, including initial expenditures (amounting to about 17.2 billion pesos) for the construction of a new refinery. This increase amounts to 42 percent.
- Expenditures on the maintenance of pipelines in 1989 amounted to 29.67 billion pesos. The 1990 budget will provide 41.71 billion pesos, an increase of 29 percent.
- A total of 24.0 billion pesos were earmarked in 1989 for drilling development wells (that is, those which guarantee adequate production of crude oil). This figure will be maintained at the same level in 1990.
- The 1989 budget provided 33.97 billion pesos for remaining activities of the petroleum company. In 1990 this figure will go up to 36.851 billion pesos, an increase of 8 percent.

* Poverty Level Lowered in Eight Major Cities

90ET0082A Bogota EL TIEMPO in Spanish
26 Dec 89 p 7B

[Article by Luis Alberto Lopera: "Number of Poor Declines, Although Fight Against Absolute Poverty Has Slowed"]

[Text] With the end of this administration approaching, in 7 and ½ months, the country is going to be asking more about absolute poverty, as it did 4 years ago with questions about "housing without paying key money."

Some 5 months ago, with the opening of the congressional term, President Virgilio Barco announced preliminary figures on the decline in absolute poverty.

Read this word carefully. "Poverty." Those considered to be poor are defined as those who have an Unsatisfied Basic Need (NBI). They have no home, live in a shack, have no safe, potable water available, have no electricity available, or have no sewage facilities. The absolute poor are those who are lacking in two or more of these necessities. Until the time of the census in 1985 the poor amounted to about 13 million (out of somewhat more than 28 million people). The absolute poor amounted to about 6 million.

Although some people do not have very much faith in the questionnaires which have been prepared on how to measure levels of poverty—the criticisms of the World Bank stand out in this regard—the indicators show a downward trend.

It appears that now there are fewer poor people in the eight principal cities in Colombia included in the first indicators of levels of poverty. These cities are: Bogota, Medellin, Cali, Barranquilla, Bucaramanga, Cartagena, Manizales, and Pasto.

The proportion of poor people declined from 21.6 percent in September 1986 to 17.9 percent in September 1988. In absolute terms they declined from 2,231,843 persons to 1,897,631 persons. It is estimated that 334,212 persons are no longer categorized as being poor.

Those were the results of the first 2 years of the struggle against absolute poverty, according to the National Administrative Department of Statistics (DANE), which coordinates the preparation of these indicators with the help of the United Nations Development Program (UNDP) and UNICEF.

Slow Decline

Although those indicators are significant, the latest figures from DANE, as learned by EL TIEMPO, reveal that the decline in the number of poor people has been slower during the third year of the program, at least in urban areas. The programs against poverty in the countryside have not yet been evaluated.

Whereas in 1988 the percentage of the poor was reduced by 2.5 percent, during 1989 the percentage was reduced by 1.4 percent, with the average of the eight cities going down from 17.9 to 16.5 percent.

Although the DANE studies do not include the category of "less poor" for the first 3 years of the program, the figure of 16.5 percent means that in the eight cities at least 450,000 people moved above the poverty line. They met those "Unsatisfied Basic Needs" which they previously had not met.

That "slowdown" in the fight against poverty could be explained in part by the reduced social expenditures by the government during the past year, as the Office of the Controller General of the Republic explained in its latest fiscal analysis.

Investments in social programs slowed because tax collections grew more slowly, there were greater expenditures for debt service, operating and public safety costs shot up, and, to complete the picture, receipts from the "Challenger" loan were delayed more than anticipated.

Apart from these explanations, the decline in social expenditure has had an impact. The first indicators from COYUNTURA SOCIAL, revealed a short time ago by the Federation for Development (Fedesarollo), showed that the proportion of social expenditures by the government declined from 9.4 percent of Gross Domestic Product (GDP) in 1984 to 7.2 percent in 1988.

Aside from the "deceleration" in the results of the fight against poverty, the situation was not the same in all eight cities. In Bogota and Medellin, the largest cities with the greatest proportion of poor people, the decline was less than that shown by the smaller cities.

Whereas the average decline in the eight cities was 1.7 per cent annually, the decline in the other six cities, not including Bogota and Medellin, reached 2.1 percent.

The two cities where there was a more significant decline in the poverty indices were Bucaramanga, with 2.5 percent, and Barranquilla, with 2.7 percent. On the other hand in Manizales the average reduction was 0.8 percent and in Pasto, 1.3 percent.

Misery Declines Less

More important than the slowdown in the reduction in the number of poor people was the decline in the percentage of people who live in a state of misery, concerning which more "tentative" results have been obtained.

Whereas the number of poor people has been reduced by an average of 1.7 percent annually, over the past 3 years, those who live in misery have declined by 0.7 percent annually during the same period.

The consolidated figure on people living under conditions of misery in the eight cities declined from 6.0 percent in September 1986 to 3.9 percent in September 1989.

In this indicator the differences by cities were more significant. Whereas in Bogota the people who live in misery have declined by 0.8 percent on an annual average, in Medellin it was only 0.3 percent and 0.5 percent in Pasto.

The greatest achievements were obtained in Barranquilla, with a decline of 1.8 percent, and 1.7 percent in Cartagena. These are double the average of the eight cities.

In contrast to these results, in Manizales the phenomenon of misery appears to be sharpening. Whereas in 1986 the people in that situation represented 2.7 percent of the population, in September 1989 this figure had gone up to 3.2 percent.

Among the reasons which explain that phenomenon, in the capital of Caldas Department the increase in the number of inadequate houses and those which do not have basic services stands out. Furthermore, the critical crowding and the number of homes with children who do not go to school have been reduced to a very low proportion.

Among the low indicators in other cities, the case of Pasto stands out. Here the high level of economic dependency and the problems of school attendance have increased instead of decreased.

Doubts and Surprises

In reviewing the previous results the first thing which must be remembered is that these involve a few relative and preliminary indices of poverty. They were obtained at the same time as the surveys of homes which DANE carries out once every 3 months to measure unemployment. A model was added to these surveys with a series of questions which make it possible to quantify the number of people having so called Unmet Basic Needs.

The problem is that, as has been recognized on several occasions, the survey of homes has fallen behind the realities, due to the delay in the revision of city maps. The sample leaves many residential areas out of the calculation. The updating of city maps is barely being done now, and it is hoped to have new maps ready by next year.

That single aspect, which has been questioned by the World Bank, obviously influences the accuracy of the figures. However, the problem goes deeper than that. Jairo Duarte Torres, the director of the program on indicators of poverty, and Libardo Sarmiento Anzola, a consultant of the UNDP, explain that the results may be better adjusted when income studies are concluded. That is another methodology which is used in the world to measure poverty.

At present the DANE, the UNDP, and UNICEF are working on income figures, which will be the basis for the outline of the so called "minimum basic market basket" or the "subsistence basket," which will be ready in the first few months of 1990.

Once that indicator is available, it will be possible to compare it with those of the NBI to determine more accurately how many poor people there are, how many absolutely poor there are, and how their numbers are declining or increasing with time. Therefore, the absolute poor will be those who, in addition to unmet basic needs, cannot even buy the minimum market basket of needed items.

When it is possible to make a comparison of the two lines of poverty, those who have unmet needs and those who have very low income levels, some surprises may emerge. If incomes turn out to be very low, the figures on the poor and the absolute poor could be higher than is presently believed.

However, the most interesting result will be found in a pilot survey which will be carried on in 1990 in Bogota. (It will cost 96 million Colombian pesos.) Under this survey other indicators will be measured, such as nutrition, health, transportation, and income. Furthermore, other special strata will be analyzed to determine social and occupational differences in the city as a whole.

This is an effort to look in more detailed fashion at indicators on the quality of life, which is the central criticism which the World Bank has made against the methodology for measuring poverty in Colombia. This is because at present the only work being done is based on the quality of housing and its basic services.

Peru

Envoy: U.S. Should Buy, Burn Entire Coca Crop

PY2301132790 Lima Domestic Service in Spanish 1100 GMT 23 Jan 90

[Text] Cesar Atala, Peruvian ambassador to the United States, has said that the United States should buy the entire Latin American coca crop and burn it.

The Peruvian representative also said that this would be a more practical and realistic measure. He added that the United States should draft a 3-year plan for the complete eradication of coca because, so far, Peruvian Army intervention has only yielded temporary results.

Guyana

Opposition Dissatisfied With Consultations' Pace

FL2301225790 Bridgetown CANA in English 2157 GMT 23 Jan 90

[Text] Georgetown, Guyana, Jan 23, CANA—Guyana's opposition Working People's Alliance (WPA) on Tuesday voiced dissatisfaction over the pace at which consultations intended to lead to a national dialogue is progressing. Senior members of the party told journalists at a press conference on Tuesday that the WPA was also very concerned that while the Desmond Hoyte administration had given a commitment to national dialogue, it was proceeding with national registration which they said would lead to rigged elections.

In a statement read to the press conference by Dr. Rupert Roopnaraine, one of the WPA's co-leaders, the party said: "The promised consultations seem to be caught up in a web of sluggishness which dogs the economy."

The party also said that the "preparations for a national dialogue no longer seem to be the priority they were made out to be at the end of December."

Suriname

Ambassador to U.S. Recalled for 'Discussions'

FL2301193390 Paramaribo International Service in English 1730 GMT 23 Jan 90

[Text] Foreign Minister Edwin Sedoc yesterday summoned the U.S. ambassador to Suriname, Richard Howland, to clarify a letter the ambassador had sent to the Government of Suriname. In the letter, which was dispatched last week, the North American ambassador expressed his government's concern about the role of the National Army in Suriname. The letter was also critical of visa requirements meted out to North American visitors to Suriname. Nothing is known about the discussions between Foreign Minister Sedoc and the U.S. ambassador to Suriname. Foreign Minister Sedoc has also recalled Suriname's ambassador to the U.S., Wim Udenhout, for discussions. According to government spokesman (Glen Shreideman), this is in connection with the meeting Udenhout had with the American State Department in Washington. During this meeting, serious accusations were levied against the military authorities. Army Commander Desi Bouterse yesterday held an emergency meeting with President Ramsewak Shankar to discuss these measures.